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## NEAR EAST/SOUTH ASIA REPORT

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## OPEC'S PAST, FUTURE DISCUSSED

East Burnham ARABIA in English No 19, Mar 83 pp 20-29

[Article by Bahman Roshan and Javed Ansari: "OPEC at the Crossroads: The Way Ahead for the Oil Producers"]

[Text] These ten pages, jointly edited by Bahman Roshan and Javed Ansari, present a comprehensive overview of where OPEC has been and where it finds itself today; they also foreshadow what the future might hold for oil producers, in a world rapidly sloughing off its reliance on oil. "What is required," writes Ansari, "is a recognition of a reorientation of OPEC's role as an instrument for enhancing (its members') economic power...by accelerating their industrialisation and reducing dependence on the West."

It is now nearly ten years since the energy issue came to prominence. The crisis seems to have started when Opec increased the oil prices in the aftermath of the Arab-Israeli war in October 1973. For ten years the European and US media and politicians blamed the ailments of the global economy on the rise of oil prices and hence Opec.

The last meeting of Opec in late January, shed a different light on the real capabilities of Opec. However, during the past ten years, a number of myths were created around the energy crises. The following is an attempt to offer some explanations to some of the many fascinating myths.

It was a popular belief that the energy crisis (that is, the rising real cost of energy) has "caused" the world economic crisis. This, in a way, reverses the sequence of events. The rising real cost of energy was the result of the overload of the world system, not its cause. The fast rate of increase in oil consumption has led to a rapid depletion of non-renewable resources; this happened because the price of oil was kept artificially low by international oil companies for a long period. Paradoxically, it was this artificially low price of oil which caused the eventual crisis by leading to an un-

regulated appetite for energy. If oil prices had not been set in relation to the cost of production—which was irrelevant in the Middle East and Africa context—but to the cost of alternatives, the adjustment process would not have become so abrupt and traumatic.

It was widely believed that the oil prices were being kept artificially high at present through Opec cartel-like action; and with the dismantling of Opec these prices would crash. Recent events proved this to be a fallacy. The current spot price of oil is determined by the forces of demand and very little else. In fact, many Opec members were producing more oil (because of international considerations) than is required by their own national revenue needs.

However, after the second oil price rise in 1979, a number of factors collaborated to create the present oil glut, and threw Opec into such disarray. First was the planned recession that was imposed on the western economies; second, the significance of non-Opec oil; third, the high level of stock most companies held after the scare of the Iranian revolution; fourth, the urgent need of some Opec members for revenues in 1980-82; and fifth, the conservation policies pursued by the industrial countries.

Finally, and most importantly, the real determining factor for the price of energy turned out to be on the demand side: the extent to which recessionist and conservation policies were pursued. Thus, the price of energy was and still is, being determined today like the price of any other commodity. Opec was never able to manipulate the market forces; its action often lagged behind them.

An understanding of this issue had just begun to penetrate the popular belief. Thus, in a recent editorial, the *Washington Post*, in a burst of candour, suggested that "... It wasn't a plot that raised the price of oil. In the early 1970s the world's demand for oil, rising very fast, out-ran the supply. Neither was flexible in the short term. The result was an explosion of prices. Brooding about cartels and sticking pins in images of Opec won't help. There's only one way to stabilize the prices of oil and that's to reduce the consumption of it, steadily and rapidly."

The popular media drove home the belief that Opec countries are extremely rich; that they "create" enormous financial surpluses which they cannot use themselves and which put considerable pressure on the world economy; and that they are responsible for compensating oil importing developing countries for the rise in their oil import bills, but are as yet providing inadequate financial assistance to them.

Such reasoning only tries to put Opec countries on the defensive, without having the benefit of objective analysis or leading to any constructive results. To begin with, most Opec countries are not rich. They are liquid but not wealthy, though liquidity and wealth are being freely confused these days. Even in capital-surplus Opec states, the average per capita income was \$3,340, only about 40 per cent that of industrialised nations. Besides, most Opec nations are underdeveloped, with low literacy rates, short life expectancy, unskilled labour, a low level of technology and research, little diversified development outside the oil sector, and with all the problems of a single-resource economy.

Opec countries have suddenly become financially liquid but they have yet to translate their good fortune into sources of real wealth.

There is also a myth that Opec has placed a burden of adjustment on the world economy which is simply unmanageable. This again confuses the real issue. As argued earlier, oil prices should be treated like other prices which are determined by the dynamics of demand and supply and by the costs of alternatives.

In total terms, oil imports account for less than 4 per cent of the GNP of the industrialised nations—certainly a manageable sum which can be matched by the productivity and exports

from these nations. The real cost is to the late comers in the game of economic development: the developing countries. They are faced with the prospect of developing their economies at increasingly rising costs of energy and other inputs because the cheap era is over by now, thanks largely to the unrestrained consumption by the industrialised nations. In fact, this constitutes a powerful argument for early users of resources to compensate late comers through liberal assistance policies, since the incremental cost of development has risen so high through the rapid depletion of certain non-renewable resources.

The intention here is not to defend Opec policies. Nor is it our intention to create new myths, while burying old ones. No reasoned dialogue on the energy issue has taken place so far, as it gets bogged down in side issues and peripheral controversies. Either Opec countries are made to feel guilty, which is hardly a brilliant strategy for soliciting their cooperation, or the industrialised nations and developing countries are asked to adjust to a new energy environment without having a clear idea of what historical and long-term forces are shaping this environment. A fresh start on this issue can only be made by restoring the correct perspective on energy and development issues, by putting aside the myths and controversies of yesterday, and by looking ahead to the possibilities for practical cooperation between the nations of the world.

The energy problem can be seen in its proper perspective only if it is viewed as one of the many structural transformations that the world is going through and if it is placed within the framework of the restructuring of national and international orders which has become increasingly urgent. The energy issue arose when the world was already confronting a profound transition: concern for protecting the world environment; for eradicating absolute poverty; for developing new self-reliant styles of development in the South and a new value system in the North; for controlling the impending international monetary crisis; for the establishment of a new international economic order.

All these concerns were demanding structural changes in the past patterns of development and international relations. The energy issue greatly sharpened the global perception of these other transitions by demonstrating the essential interdependence and vulnerability of all countries. It is within that broad perspective that the energy issue can be helpful as an engine of transition as long as it is linked with other related issues.

Opec, unfortunately, never realised its own potential as a world leader. Although they were recognised in many international negotiating forum as leaders of the Third World,

they never showed any signs of effective and decisive leadership. The surpluses they had accumulated were never put to any effective international use and most of them were squandered or swallowed up by inflation. Opec countries as a group and as individuals may look back on the past decade as a golden era which might never repeat itself.

*Salah Al Shaikhly*

●The author is currently the director of the Centre for Research on the New International Economic Order, Oxford, and visiting Professor at the Department of Management Studies, Leeds University.

### Of Prices and Production Costs: OPEC's Dilemma in the Glut Years

Since falling demand for oil became a familiar fact of life, there have been numerous predictions in the press about the "collapse" of Opec. At no time have these predictions had a more convincing appearance than after January's Opec meeting in Geneva when talks broke down as Saudi Arabia demanded that any cuts in its production would be conditional on the North African producers increasing their prices above the Opec reference level. With an excess supply of more than two million barrels of Opec oil, this was not very good news for countries like Nigeria, which is having difficulty selling its oil at its present price.

Opec's oversupply problems started with appearance of the glut in the oil market in 1981. The initial Opec response was to overcome the problem by price adjustments. The Gulf states have often maintained that sharp rises in oil prices would lead to a fall in demand for oil. These moderate members of Opec tried to use their muscle to bring about a more gradual uniform price increase, linked to western inflation and growth rates. The method they used was a massive increase in supply to prevent other Opec members taking advantage of the 1979-80 oil market by raising prices.

Saudi oil minister Sheikh Yamani admitted in a TV interview that Saudi Arabia "engineered the glut" to force the more radical Opec members to bring their prices down in line with the moderates, producing 10.5m bpd at the ceiling price of \$32. Although in 1981 Opec members appeared to have reached no firm agreement on pricing policy, leaving the members to sell within the wide range of \$32 to \$41 per barrel, the African members agreed to bring down the price of their light oil to \$36-\$37, with the moderates increasing their crude to \$34. The price differential of \$3 indicated differences in quality and transport cost.

The Saudis had an interest in preventing large rises in the oil price. They have huge reserves of oil, a small population and a limited capacity to absorb their revenues. "Pricing oil out of the market" encourages the consuming industrial countries to develop alternative sources of energy and reduce demand for oil, thus destroying potential sources of the country's wealth. By contrast, a country like Algeria with limited reserves and a large population aims to make the maximum amount from oil, to finance rapid development programmes. It is this kind of long-term consideration which has always been one of the root causes of divisions within Opec.

This policy of price stability, with an Opec ceiling of \$34, was relatively successful. But the subsequent fall in demand proved that to maintain this ceiling Opec had to further cut production to limit supply. A very significant factor contributing to the fall in demand was the de-stocking policy of the major oil companies, which drew down reserves at the rate of 4m bpd. By running down the stocks and flooding the market, companies were, in fact, forcing further falls in oil prices. Opec responded by agreeing to reduce production from 20m bpd to 18m bpd. Saudi Arabia reduced its share from 8.5m bpd to 7.5m bpd.

By the time of the Vienna Opec meeting in summer 1982 a new threat had emerged. Nigerian light crude, marketed at the Opec price of \$35.5, was competing with the British North Sea product of the same quality sold at \$31. The oil majors found Nigeria the most vulnerable member of Opec, and put pressure on it to bring down its price. Customers were turning away from Nigeria, causing the loss of its desperately needed foreign reserves.

A price reduction by Nigeria would have destroyed Opec's pricing structure. The Saudi threat of sanctions against the major companies, unless they continued to purchase oil from Nigeria, seemed to have been effective. Nigeria recovered some of its market and was aided financially by the Saudis in return for maintaining its price. Lagos was allocated a production quota of 1.3m bpd.

Perhaps the most successful of the recent Opec attempts to regulate the market was an agreement, in Vienna, to cut further Saudi production to 7m bpd and Opec output as a whole to 17.5m bpd from April 1. Why did Opec respond by further production cuts rather than a price cut?

The difference of approach appears to depend on whether the causes of a weak oil market are seen as short-term or long-term. Most Opec members favoured the former view since they believed that in summer, demand would be weak, but with autumn coming, companies

would stock up again, increasing the demand. The long-term view tends to explain market weakness by such factors as long-term changes in energy conservation in the West.

Some evidence suggested at the time that the market was in fact recovering and there is some truth in the view that oil demand fluctuations were seasonal. A Shell projection of oil demand predicted an increase of 0.7 per cent to 20m bpd in 1983, but the stockbroker Hoare Govett forecast a rise to 22m bpd for Opec in 1983, still less than the Opec financial minimum, but an important improvement over the summer period. The agreement reached in Vienna led the western press to refer to Opec as a "disciplined" force. It appeared that a policy of price stability by production cuts was preferable to that followed by the British of reducing the price of North Sea oil. Such a policy would eventually lead to an increase in demand and another price explosion—which would not even be in the interest of the consumer in the long-run.

The broader picture of the oil market supports the view that the glut is likely to be a short- to medium-term phenomenon. Favouring the long-term view is the fact that the proportion of the non-communist world's oil supply coming from Opec has dropped dramatically since 1973. The increase in production by non-Opec states, particularly the Soviet Union, the US and Mexico, is important in this respect. However, both the USSR and US are still significantly dependent on the international oil market for their total domestic requirements.

Mexico, on the other hand, does have a large surplus of oil to export. Now the world's fourth biggest producer, Mexico is an important threat to Opec. The country's share of the shrinking oil market has risen sharply from 1m bpd in January 1982 to 1.73m bpd in September 1982, mainly by price reductions below the Opec \$34 a barrel reference price. To defuse Mexico's damaging potential the Saudis offered financial help to ease the Mexican debt crisis: the Mexicans declined the offer.

The main reason for the refusal appears to be the fear of losing financial and trade concessions from the US, which purchases more than 50 per cent of Mexico's total oil exports. Mexico has also refused to attend Opec meetings as an observer. Within the Mexican government, however, there seems to be a growing tendency which favours closer links with Opec.

Conservation by the industrial consuming countries have also had a long-term effect on oil demand. According to Exxon economists, about two-thirds of the reduction in oil demand during the last two years can be accounted for by conservation. That part of demand for oil has been reduced permanently.

The record of developing alternative sources of energy, not very impressive so far, has proved that progress in this field is slow. On the other hand, the oil consumption of the Third World is likely to increase in future as they further develop their industries. So the present recession seems to be the main cause of the glut. In fact, the International Energy Agency's recent report, *World Energy Outlook*, has warned the industrial countries of a potential new oil shortage in the mid- to late-1980s and of the urgent need for conservation. Sheikh Yamani's optimism about an early upturn in the oil market seems to be, at least partially, influenced by this report.

At the Opec meeting in Ecuador last year Saudi Arabia pressed for an increase in the price of Opec's African light crude. Countries like Libya and Iran had increased their share of the market beyond that allotted to them by the Vienna conference. Libya in particular, selling its oil at \$32 a barrel, has increased its share by twice the amount agreed. The biggest production increase, however, came from Iran. Needing foreign exchange to meet the cost of its war with Iraq, Iran has been selling at \$31 and sometimes at as little as \$28-\$30, increasing its sales by 100 per cent, to about 2.5m bpd. Both Iran and Libya have combined their increased production with considerable price discounts in order to attract customers.

Their increased market shares have taken place at the expense of Saudi Arabia, whose production has dropped to 5.6m bpd from the official level of 7m bpd at the Opec ceiling price of \$34. In Ecuador, Iran officially proposed what, in fact, was already happening: that Iran's quota should increase from 1.2m bpd to 3m bpd and that the Saudi share should fall from 7m bpd to 5m bpd. The rejection of the proposal merely indicated the conference's disapproval of Iran's action but did not prevent it.

The next meeting of Opec was initially supposed to take place in Lagos, Nigeria, in December but was re-arranged for Vienna to avoid a head-on clash between Saudi Arabia and Nigeria over the latter's refusal to increase its oil prices. For the Saudis this is crucial if the present Opec levels of prices and production are to be maintained.

For the hard-pressed Nigerians, however, a price increase would mean the sale of less oil and thus less foreign exchange. Nevertheless, Nigeria only needs 0.2m bpd extra production to balance foreign exchange payments and, compared to Iran, it is only a modest offender of Opec's quota agreements. Nigeria's production at present is about 1.5m bpd while its official quota is 1.3m bpd. It is a sign of changing times that even Qatar and Kuwait have exceeded their Opec production quotas, though not significantly.

Venezuela was another problem that the Opec December meeting had to deal with. Venezuela is producing 50 per cent more than its 1.5m bpd share but, unlike Iran and Libya, it has not reduced its price. Venezuela's proximity to the US market has given its oil the advantage of cheaper transport costs compared with Saudi oil. The result is that Venezuela has been able to sell its increased production without having to rely on discounting to stay competitive.

However, Indonesia was the biggest worry of the December meeting. Asia's largest exporter of oil outside the Gulf, Indonesia became the first important Opec producer to cut its crude oil prices after a large drop in production, by 3m bpd since 1981 to around 1.3m bpd. The price cuts range from 47 cents to \$1.90 for various grades of Indonesian crude oil. Indonesia may, however, justify these cuts as simply "adjustments" of the differentials over the Saudi marker price of \$34 a barrel. The excess output resulting from increased production and reduced price has so far been offset by the Saudi reduction of its output at the constant price of \$34 a barrel.

#### **'OPEC Should Keep Talking to the Outsiders'**

 For more than a year now, Opec's basic difficulty has been to sell more crude oil at a time when the world economic recession has acutely depressed demand for oil, with a resulting slump in prices. Early in 1982, non-Opec oil producers such as the US, Britain, Mexico and Egypt cut oil prices to meet the current demands of the market.

The competition from non-Opec oil producers is coupled with competition from other fuels.

Coal, natural gas, nuclear and water-power all increased their share of the global energy market at the expense of oil, registering a combined rise of 1.2 per cent.

All these factors have squeezed Opec's production levels and in general make the producing countries seem less sure of the future. In fact, for the first time in 20 years, non-Opec oil production outside the Eastern bloc has exceeded that of Opec. During January to August 1982, while Opec production dropped by 22 per cent, non-Opec production increased by 4 per cent over the same period in 1981. Opec's share of the total world supply has fallen from 63 per cent to just one third since 1973.

The UK is an important source of non-Opec oil. North Sea oil has caused a lot of problems for Nigeria, which sells the same quality oil at higher Opec prices. In about ten years, Britain

has emerged as one of the world's leading oil producers.

In 1981, the prolific oilfields under the stormy North Sea produced high quality crude oil in sufficient volume to make the UK the seventh largest oil state in the world. Output for the year as a whole for the first time exceeded Britain's total domestic oil consumption.

Last year, total oil production from the British sector of the North Sea amounted to almost 90m tons, compared to just over 80m tons in 1980. At the end of 1982 there were 18 offshore oilfields in production, including three that were brought into commercial production during the year.

Oil companies, despite their continuing complaints that British government oil taxation was dampening their enthusiasm for further North Sea activity, put in more exploration work in 1982 than in any year since 1977. Twelve new oil discoveries were reported, the highest number for five years. Revenue from the sale of North Sea oil last year averaged out at more than £1bn a month. Gross capital investment in the oil and natural gas exploration and production industry as a whole was estimated at almost £3bn in 1981, or 20 per cent of total British industrial investment that year.

Yet British crude oil reserves are not all that great. This means that Britain cannot expect to remain a major world oil producer for very long unless substantial further reserves are found and brought into commercial production in the fairly near future. Britain's total remaining reserves in fields so far discovered are about two-thirds those of Libya, for example.

Mexico sees its role as an exporter of both light and heavy oils. Its reserves are estimated to be 70 per cent light and 30 per cent heavy.

Mexico's proximity to the US means that freight charges for its customers are minimal compared to those from Saudi Arabia. It costs \$2-\$3 a barrel to ship Saudi oil to the US compared with 40 cents a barrel for Mexican oil.

Mexico sells oil on soft terms to Central American and Caribbean countries. Mexico has been sharing with Venezuela in meeting the requirements of these countries since 1980. The recipients get a 70 Isthmus-30 Maya blend and can defer payments. Mexico has been supplying them at a rate of 65,000 bpd.

Mexico and Britain have a prominent role to play on the world oil market. As well as using other fuels that can be, up to a point, substituted for oil, the western consuming nations are deliberately trying to depress the value of oil in every way open to them, despite the fact that oil remains the world's number one energy source.

In the Middle East, Egypt and Oman are relatively important non-Opec producers. Egyptian production is expected to rise from

700,000 bpd, a third of which is exported, to 1m bpd in the next few years. Oman has also announced that it will raise its output by 10 per cent.

It is quite clear that the oil producing developing countries outside Opec have contributed to further weakening of oil market by increased production and price reduction. In most cases these non-Opec countries have been forced to take these decisions, which are obviously not in their interest. Paying serious attention to the specific problems which stand in the way of countries like Mexico, Egypt and Oman joining Opec can only be beneficial to both. In the case of Mexico some attempts have been made which are far from sufficient. What is required is the setting up of institutional mechanisms by Opec which will facilitate continuing negotiations with these countries.

*Jamal Rahman*

### Discounting, Differentials and Quotas

So often has the West announced the "breakdown" of Opec after its various conferences that one now needs to know something of psychology, rather than economics, to separate the elements of wishful thinking from reality in these commentaries. "The market has worked its will" was how one influential western newspaper described the outcome of Opec's January meeting in Geneva.

The unexpected move by the Gulf states to focus attention on the vexed question of price differentials between Saudi crude and North African light caught both Opec's friends and its enemies by surprise. Al Haji Yahya Dikko, the Nigerian delegate and Opec's president, expressed the feelings of the moderate members when he complained that those members who were most affected by the price and production issues came to Geneva without any prior expectation that price differentials would be brought up.

Iranian Oil Minister Gharazi voiced the same opinion, when he said that the price differential question "was invented to cause the failure of the conference." The Algerian oil minister, Belkacem Nabi, protested that members were not invited to Geneva to discuss differentials.

At Opec's last 1982 conference, in December in Vienna, the question of differentials was not debated. An agreement was reached there on a new production ceiling of 18.5m bpd, which was revised in Geneva to 17.5m bpd, with the decision to defend the reference price of \$34. The Geneva meeting was taken by most members to be mainly concerned with the allo-

cation of production quotas: it was announced on the first day that a quota agreement had been reached with Iran at 2.5m bpd (instead of the 3.2m bpd they had initially sought) and that Saudi Arabia had accepted a production cut-back to 4.5m bpd.

It was not so widely reported that the Gulf states had put forward a new demand on the first day, to view the issue of quotas in the context of a "package" that would only be acceptable to them with the "pre-condition" that the question of differentials was satisfactorily resolved. Initially, this did not appear to be a major sticking point. But the discussions by the end of the second morning's session proved to be critical, leading to a complete breakdown of talks that took the conference back to square one. The question of differentials had been discussed at many past Opec conferences, and the Gulf states had shown a flexible attitude on it.

It is not clear that the present level of differentials has a larger adverse impact on revenue than the cuts in production that the Gulf states would have to make to preserve the \$34 reference price.

The question, then, is why the Gulf states should make a stand over an issue that appears to affect their position less severely than other factors that have been controversial within Opec. The Gulf states have seen their oil revenues diminishing rapidly as a result of weak demand, and by having played the role of residual producer by adjusting their production to maintain a grip on total supply and hence price.

The total share of the Gulf states' oil production has dropped from 13.7m bpd to 8.5m bpd since 1980. In the month between the Vienna and Geneva meetings, the overall production ceiling was reduced by a further 1m bpd to prevent an oversupply in the market. In the opinion of some leading Opec figures, the production ceiling might be cut still further, as it is expected that the demand for Opec oil could be as low as 15m (or even 14m) bpd this summer.

This would mean that the Gulf states may have to expect further production cuts in the near future. They appear to have decided to make a stand now, rather than in three or six months. The differential issue in this context seems to have been a delicate choice.

There have been three major issues that have had adverse effects, though to differing degrees, on the position of the Gulf states within Opec. The most important was the allocation of quotas, where they would have had great difficulty in choosing to put up a fight: it is hard to counter the argument that richer states should carry some of the burden for poorer ones. Iran's proposals to share the Opec oil market according to population and needs quickly gained a large measure of support,

notably from Venezuela, but also from other high absorber countries. The Gulf states had a halfhearted go at the quota issue in Vienna, but found themselves increasingly isolated and, in fact, later agreed to production cuts.

The discounting issue, however, is most closely associated with Iran and a stand over this issue by the Gulf states would have invited direct confrontation with that country. Such a confrontation with a state that has an image of popular Islam behind it, and is itself part of the Gulf region, could have unwanted repercussions in the Gulf countries.

This leaves the third option, differentials. Though it is the least important of the three issues, it bears mainly on North African producers and Nigeria, which in particular would be greatly affected by widening differentials. It is a moderate state, remote from the Gulf, and cannot claim Islamic legitimacy for its government: the Gulf states skilfully chose this ground, and hence the sudden change of heart by them that was described as "catching Opec off guard."

The final result of all this is to increase the likelihood of some sort of reduction in the \$34 reference price, since the majority of the conference refused to agree to differential widening. The Gulf states, however, seemed to have also come under pressure from outside Opec to lower the reference price. Members of Aramco (Standard Oil of California, Texaco, Exxon and Mobil) have recently threatened that they will "significantly" reduce their oil purchases from the Gulf region if the differentials between spot and contract prices stay high. William Randall, vice-president of First Boston, said: "The decision to maintain the benchmark price will mean that Aramco partners will be taking even less Arabian oil."

All this leaves one with a feeling of perplexity. Production cuts are in the long-term interests of the Gulf states: their view is, quite correctly, that lower oil prices will not lead to economic recovery in the West, and that keeping the oil in the ground is a better long-term alternative.

Most modern western growth sectors are related to the so-called information industry (electronics, computers and so forth) and the service industries, such as banking. They are not energy-intensive. Just as the oil-price rise was not the cause of western recession, an oil-price fall is not its cure. After all, Opec did not invent capitalism, and capitalism has exhibited cyclical downturns and recessions since its inception.

Nevertheless, justification of price reduction by the Gulf states is not easier than the policy of holding on to production levels. It is not so long ago, after the start of the Iran-Iraq war, that the Saudis decided that oil prices were too

high – and, according to Sheikh Yamani, "engineered the glut" by increasing production and imposed the \$34 reference price on the reluctant Opec members on the condition that it would be defended. In the present climate of world recession, however, Opec cannot be pushed too far in the direction of any single country or group without a serious rupture in its structure being caused.

The Gulf states are not the only ones to ignore the lessons of the past. Iran also views Opec as a platform on which it can fight its political battles. To come out of what was, to all intents and purposes, one of Opec's most divisive meetings ever and call it "Opec's greatest victory" is at best bad politics, and at worst complete naivete.

If Iran managed to gain majority support in Vienna, this should not be interpreted as a confirmation of the Iranian stand. Rather, it was the result of the proposals for the more equitable distribution of quotas, which made good sense to many members. It does not appear to have been fully comprehended that the disintegration of Opec would have a far greater effect on countries like Iran than on the Gulf states, which enjoy surpluses in the form of bank holdings.

### The Need for 'Intelligent Political Economy'

The demand for oil and other energy resources are mainly "derived demands" in the sense that they are used as inputs in the production of a flow of services or output. Both the price of these resources and the level of aggregate demand/output will therefore be important factors in determining the overall demand for oil and other energy resources. This relationship, however, is complex to understand in part because these two determining factors interact and also because it is likely to change through time. Furthermore, the recent economic environment is very different to that of the previous two decades and hence, past trends which reflected falling real energy prices and a growing volume of world trade and output are unlikely to prove a helpful guide for future demand projections.

The 1973-74 oil price rise reversed the trend of falling real energy prices. The effects of this increase on the oil and energy using producing sector was to increase their costs of production. To offset this increase in costs, attempts were made to substitute other inputs and conserve energy by employing more energy-efficient production techniques wherever possible. Such adjustments however take time, and in the short-run are limited in scope.

In the short-term therefore, producers responded by cutting profit margins and only passing on part of the increased production costs to the consumer in the form of higher prices. The effect on all oil-consuming nations as a whole was to reduce aggregate demand. This demand-reducing effect occurred since higher energy prices resulted in less income and hence reduced demand by consumers. Both the reduced profit margins and lower output levels demanded, help explain the economic recession in the post 1973-74 period.

Another important contributing factor was that the 1973-74 oil price rises represented a transfer of resources from energy consumers to the energy producers and suppliers. To the extent that these resource owners had "smaller" expenditure patterns than the resource consumers, this implied an overall decline in world economic activity.

The restoration of profit margins through higher output prices, the accommodating fiscal and monetary policies of the western economies and the recycling of the Opec surplus all help to explain the recovery of world trade and output in 1975-76. The price-increasing or inflationary impact during the late 1970s had important influences, however, on the purchasing ability of real oil revenues.

The second oil price rises of 1979-80, though similar in size to the first, had a much greater demand reducing effect. Due to the very strict "anti-inflationary" monetary and fiscal policies adopted by the industrialised countries, these "demand-reducing" policies were, according to one estimate, comparable in their effect on demand that is, as demand-reducing to the actual oil price rise. In this sense then, these were a "double shock" to the world economic system.

It is clear that the recovery of the world economy and consequent increase in world output will result in an increase in the demand for oil and energy resources. It is unlikely however that the relationship between energy and output demand will differ considerably from that indicated by past history.

It has been argued that a fall in the price of oil/energy could help to stimulate world demand, since lower prices would imply lower costs of production of oil/energy users. This could stimulate demand either through increased profit margins, which could increase investment, employment and output, and/or through lower output prices leading to higher output demand, then increased investment and so on.

The problem is, however, that any change in the terms of trade between resource owners and consumers implies a demand-increasing effect for one side and a demand-decreasing effect for the other. (The relative magnitude of

these two effects and the financial constraints faced by them will determine the overall impact on world trade and output.)

The relative magnitudes of these two effects will be crucial in determining the overall impact on world trade and output. This will in turn depend on the financial constraints facing each "economic factor." If lower oil/energy prices result in increased demand for oil and an overall increase in world output and demand, then higher oil revenues could be achieved. This could prove ultimately to be beneficial to the resource owners since they can then hope to restore their original bargaining power.

On the other hand, if lower oil/energy prices leads to an expansion in output of the non-oil consuming sectors, and to an increase in "indebtiveness" for oil producers (Mexico for example) which could not be sustained then the demand reducing effects could well outweigh the demand increasing effects, and a deepening world recession could occur. In this sense the change in the terms of trade would prove to be counterproductive, since both sides would lose.

It is not only the level and growth rate of aggregate output that will be important determinants of future oil/energy demands. The composition of output and its change over time will also have important influences.

For example, output growth achieved through a growth in service industries will have a very different associated energy demand growth pattern compared to an output growth path brought about through increased industrialisation. One implication of this is that there may be an area of mutually beneficial trading possibilities between energy resource owners and the less developed and newly industrialised countries. Typically, the process of industrialisation is a highly energy intensive activity. Hence economic cooperation and participation between these two groups could result in gains for both.

Projecting future demands for oil and energy is greatly complicated by the macro-economic implication of price changes. The impact on aggregate demand will depend on the policy of reactions of trading partners which influence directly the demand-reducing, demand-increasing effects of any given price change. There are also financial constraints present which will impose limitations on possible strategies. This does suggest that economic modelling techniques alone will prove inadequate forecasting tools, since political objectives will also have an important and direct influence on the economic policy reactions of trading nations.

The intervention of Opec members in energy markets should be guided less by economists and more by intelligent political economy.

Jasmin Ansar

## Superpower Play: How OPEC Can Respond

The rise of Opec is not an event that the superpowers have viewed with equanimity and composure. Both the US and the Soviet Union have been affected by the growth of the economic power of the Opec countries, and both have acted to forestall this growth.

Moreover, the interests of the USSR and the US largely converge in this issue area. Soviet Orientologist Primakov recently told Karen Davisha, Rockefeller Foundation Fellow at the London School of Economics: "The Middle East is not considered in Moscow a zero-sum game. A loss for the United States is no longer a gain for the Soviet Union."

The gradual eclipse of the Opec countries as major oil suppliers is clearly an important policy objective of the US. The gains the US can hope to make from a reduction in the price of oil are detailed elsewhere in this file, in the section on Opec's alternative scenarios and policy options. US politicians, of many persuasions, have in the past, on many occasions, talked of the need "to take drastic measures – including the physical occupation of the oil fields," in order to cut Opec down to size.

Cutting Opec down to size is also advantageous to the Soviet Union, where a rapid expansion of the energy sector is indispensable for sustaining economic growth during the period of the current five-year plan. It seeks to become Western Europe's chief supplier of energy, and has succeeded in associating leading European firms in its programme for the development of the Siberian reserves.

Despite President Reagan's much publicised "embargoes" on the supply of western technology for energy development, collaboration between the USSR and Western European-based – and even American-based – multinationals has gone ahead. After Yuri Andropov's rise to power, US-Soviet relations are likely to thaw further, and US resistance to Soviet and Western European cooperation in the energy sector is bound to crumble.

Moreover, both the US and the Soviet Union stand to make significant political gains by humbling Opec. As far as the US is concerned, the Middle East is an area of "great strategic and economic importance" (to quote former Secretary of State Alexander Haig). Within this area, the US has, since at least 1967, remained committed to a policy of asserting and sustaining Israel's regional hegemony.

This commitment became particularly evident during the Lebanese crisis of 1982. According to Karen Davisha: "The US not only supplied Israel with weapons to devastate Lebanon, but also through Secretary of State Haig time and time again in the first six months of 1982 gave the green light for an operation on Lebanon."

Throughout the Lebanese crisis, the Soviet Union also adopted an uncharacteristically low-key posture. Indeed, Moscow's involvement in the Lebanese crisis was lower than that in any previous Arab-Israeli conflict. The Syrian information minister, Ahmad Iskander Ahmad, told western correspondents in October 1982 that the USSR was providing low-quality, inferior and defective military equipment to the Syrian air force.

Moreover, the USSR did virtually nothing to help the beleaguered Palestinians in Beirut. In all the communiques issued by the Soviet authorities during the crisis, there was no reference to the need for providing moral or physical support to the PLO fighters. Diplomatic support to the PLO also remained muted. Requests for high-level meetings by Arab leaders were generally ignored – thus Brezhnev refused to see King Hussein of Jordan when he visited Moscow in June 1982.

Soviet acquiescence to Israeli regional hegemony is based upon the hope that its own political initiatives in Afghanistan will continue to be tolerated. 1982 saw an entrenchment of the Soviet occupation forces in Afghanistan, and a gradual reconciliation of the West to this Soviet presence. Western military assistance through Pakistan – which was minimal throughout the period 1979-81 – virtually dried up. Increasing pressure was put on President Zia of Pakistan to abandon the Mujahideen and agree on a "realistic" settlement.

"Palestine for Afghanistan" may be a realistic basis for an acceptable redrawing of the map of the Middle East in the view of the superpowers. There is an increasing realisation that the bargains struck at Yalta and Teheran in the wake of the second world war now call for significant adjustments and modifications. It goes without saying that the superpowers will seek to make these modifications at the cost of the nations of Asia, Africa and Central America.

It needs to be stressed that political developments in the Middle East are likely to affect Opec's position in world markets. The superpowers' economic intervention in the international energy markets are invariably fortified by adroit political manoeuvring. An increase in the political vulnerability of the oil-producing states contributes towards an erosion of their economic power.

Given this fact, Opec cannot be a narrowly functionalist organisation, intentionally oblivious of the political dimension of developments within the energy industry. Opec must address itself to the political initiatives of the superpowers and seek to offset the repercussions. Opec policy in the field of trade, investment and aid must be explicitly based upon

a firm commitment to safeguarding the political interests of its member states.

Ten of Opec's 13 members are Muslim countries. These countries, along with the Republic of Gabon, are members of the Organisation of the Islamic Conference – an organisation that has repeatedly asserted its commitment to the liberation of Palestine and Afghanistan. Opec members must recognise that the defence of their interests as oil-producing and exporting nations is inextricably linked with the struggle for reasserting the Islamic identity of occupied Palestine and occupied Afghanistan.

Javed Ansari

## Where Are the Transnationals Heading Now?

The wave of nationalisations of oil companies set off by Libya in the early 1970s was a relatively simple step, but to truly undermine the transnationals' dominance of the oil industry has not proved an easy task for the Opec national oil companies. It is true, of course, that oil majors cannot throw their weight about in the way they used to. Moreover, the present oil market slump has hit them quite badly. But at least in one area, technology, their grip is as firm as ever, in both oil prospecting and production.

The emergence of the oil producers' national companies led to a significant volume of the government-to-government sales that deny the majors the intermediate role they used to enjoy. The Seven Sisters' share of world oil supply outside the eastern bloc fell by 25 per cent between 1973 and 1979, from 30m bpd (60 per cent) to less than 20m bpd (35 per cent).

The majors' dominance over the oil industry and the market has also been badly eroded by the recession, a fact that is evident in their refining and transport operations: despite massive plant closures, there is still a large degree of under-utilisation in refining operations in the industrialised world, in particular Western Europe.

According to the EEC Commission, under-utilisation in the EEC in 1981 was 10.3m bpd (total capacity: 17.8m bpd); it predicts that capacity utilisation may rise to 80 per cent if there were further cuts of 13.64m bpd, with capacity increase of upgraded plant by 0.8m bpd to 2.5m bpd between 1980 and 1985. Any further capacity rise can only come about as a result of scrapping plant.

US oil majors are increasingly closing down their foreign plants in both upstream and downstream operations, particularly in Europe. An example of this trend is the sale by Gulf of its European downstream assets to Kuwait. In the US domestic market, too, the

trend is for capacity reduction, although expenditure on offshore exploration is still substantial.

The state of affairs in transportation is even gloomier. The world tanker market has been severely affected by largescale cutbacks in large (VLCC) and ultra-large (ULCC) crude carriers. Exxon sold eight VLCCs in 1982, while Shell sold five VLCCs in 1981 and six in 1982. Nonetheless, with demand still well below tanker capacity, excess capacity is expected to grow still further.

One estimate shows that, by October 1982, there was 67.8m dwt of idle tankers. Difficulty of finding business for tankers means that many will end up in the scrapyard. However, a large number of the idle ships belong to private companies rather than oil majors.

The excess refinery capacity has also affected Opec countries. A recent Opec estimate shows that, while members' domestic consumption is expected to rise by 77 per cent over 1979-85, their surplus of refined products should reach 2.4m bpd by 1985. Of this, 26 per cent is accounted for by Saudi Arabia alone. Opec countries can aim at the Third World market for their refined products, but there are some indications of excess refining capacity in the rest of the Third World too.

Another area where oil majors can exercise a great influence is the spot market. Their policies of destocking oil have done a lot to weaken Opec's price structure. The western press has always hailed the spot prices, artificially orchestrated by the oil transnationals, as the "barometer of supply and demand" for "competitive" oil prices, and as something that should be adhered to by everyone. The real underlying demand for Opec oil is at present about 20m bpd, yet Opec has cut production to about 17m bpd because the oil majors' destocking is flooding the market by 2.5-3m bpd.

Fortunately, this policy is now proving more costly for oil transnationals than they can afford. Shell group, which released about 50m barrels (worth over \$1.5bn) has ended its destocking programme; so has BP, after releasing 60m barrels (worth over \$2bn). Oil stocks are now getting back to the normal amount, namely 90 days' supply. This development, rather than a cold winter, can go some way to stimulating the demand for Opec oil.

When it comes to technology it is still the case that oil majors enjoy monopoly power in many areas. They are dominant in offshore exploration, but the technology in this area is not the sort needed by Opec countries, at least in the near future. The old technological expertise of land-based crude exploration, production, refining and transport have now become relatively easy for Opec countries to achieve, and some have done so.

There are many areas, however, less complex than offshore exploration, where Opec countries are dependent on oil majors. The techniques of injecting inert gases into old oil-fields to enhance lifting, is the hands of US majors; and, to a less extent, the liquefaction of petroleum gas is under the control of transnationals. It is such a control that gives the majors much leverage in their dealings with Opec governments.

Opec countries can wrest a great deal of independence from oil majors in several directions. The advanced technological expertise gained by some industrialising countries in the oil industry can meet some of the Opec countries' requirements. India, for example, has been quite successful in providing high-level technical services for oil exporters outside the Gulf.

Opec countries can also gain more control over the operation of oil majors in their economies by looking at the majors' practice of transfer pricing. In the oil industry this can happen because oil companies overcharge for their product used as input in the affiliate petrochemical and fertiliser plants based in Opec countries. An example is surplus naphtha from refining operations used as feedstock for fertiliser plants.

Transferred pricing can also be used by transnationals in their transportation activities—for instance, out-of-date freight rates charged above the spot-market rates. Whenever possible, Opec countries should set limits to such pricing practices by reference to similar uncontrolled prices obtaining in trade between unaffiliated companies. Transfer pricing may be less important in the Gulf.

In the area of refining and transport, a co-ordinated effort among Opec countries could give them the necessary stance to negotiate with oil majors for commitments to some level of refined products as a condition for crude oil sale. Such an Opec coordinating body can negotiate on many issues relating to the oil industry: for example, Opec Arab Tanker Company can demand 50 per cent crude oil transport in its tankers. This may, of course, provoke a reaction by the governments in industrialised countries to demand certain proportions of their exports being carried in their ships.

In the short run, however, the majors are still the main customers for crude oil, since they control the largest part of the refinery operation and their existence cannot simply be wished away. This points to a need for some kind of dialogue between the majors and oil-producing and oil-consuming countries, an international tripartite body (like the ILO) where issues affecting all three can be negotiated and planned in a more orderly manner.

Bahman Roshan

### Beyond Mere Survival...

The breakdown of the Geneva meeting in February 1983 and the increasing difficulty of closing ranks within Opec, has tempted many to consider seriously the real costs of the dismemberment of this organisation. Although Opec has played an important role in extracting a fair share of the gains of trade for the oil exporters, it is sometimes argued that this has been because of the inherent strength of the oil countries.

Opec did not go to war in the Ramadhan of 1393 AH (October 1973). It was the Arab countries which did so. It was the achievements of the Ramadhan War which made a five-fold increase in the price of oil possible. Moreover all the Arab countries unilaterally succeeded in achieving the nationalisation of the foreign oil companies. Opec played no part in the correction of control by individual Arab countries over their oil and gas resources.

In this view, the disintegration of Opec, though regrettable, is nevertheless inevitable. It is ensured by the operation of "market forces" which have reduced the real price of oil and will continue to do so, as long as the West remains in recession, Opec or no Opec. A reduction in the real price of oil will stimulate growth in the West and in the long-run will contribute towards an expansion of oil demand.

As Eric Butley, secretary general of the World Energy Conference, has remarked "no forecast of energy supply and demand has ever been right." Nevertheless, such forecasts are now made by all major groups within the oil industry—Opec itself has developed a complex, multi-sectoral forecasting model. An even more ambitious forecasting exercise has been undertaken by the World Energy Council which has prepared estimates for world demand and supply of different sources of energy over the period 1980–2020. The model predicts that the share of oil in world energy production will fall from 42.6 per cent in 1985 to 28.0 per cent in 2000 and to 10.6 per cent by 2020. As against this, nuclear power, which accounted for approximately 1 per cent of energy production in 1972, will amount to 4.5 per cent of total energy supply in 1985, 12.7 per cent in 2000 and 31 per cent in 2020, when it will be the single largest source of energy.

Most commentators agree that the substitution of oil as an energy source by nuclear power, coal, solar and biomass energy derivatives will lead to a substantial market displacement by the turn of the century. However, the state of displacement can be significantly affected by the movements in the price of oil.

Since 1981 these price movements have been relentlessly downward. This has led to a 25 per cent fall in the production of oil but it has also

led to a virtual halt in the research and development activities related to the exploration and development of the more expensive oil substitutes. This has led many influential bodies – such as the International Energy Agency, which is the spokesman of the OECD group of countries in the energy area – to warn that there is likely to be a significant expansion in the demand for oil when growth picks up in the West, towards the end of this decade.

These findings are in the main corroborated by simulations of the Opec and the Unitar models which also forecast a rapid recovery in oil demand in the closing years of the 1980s. The World Energy Conference model shows, however, that western demand for oil exports from the Middle East will fall throughout the 1990s. By the year 2000 western oil demand will exceed western oil supply by a little more than 20 per cent. By 2020 the West's total production of oil will exceed its demand for this product.

It thus seems clear that the oil exporting countries face a situation in which a reduction in price in the immediate future can lead to some middle term benefits – it can lead to a slowing down of the process of substitution of oil by other energy sources. But the cost at which this slowing down will be achieved is not likely to be insubstantial.

A dismemberment of Opec will ensure a rapid reduction in the real price of oil. *The Economist*, the oldest and most hardened campaigner against the "oil sheikhs," has already advocated a "realistic" price of around \$20 a barrel. Were oil prices to fall by anything like this it would mean a drastic elimination of the current account surpluses of countries like Saudi Arabia and the UAE and a dramatic and inexorable pauperisation of Iran and the North African oil exporters. Unless drastic changes in the structure of domestic consumption and investment were made, this would mean a running down of the capital account surpluses and a major curtailment of the development programmes of the oil exporting countries.

It is sometimes argued that such a substantial reduction in the price of oil will be resisted by many groups in the West: by the oil companies who start to replenish their reserves; by the banks who will fear default on the part of the grossly overdrawn creditors such as Mexico; by Britain and other North Sea oil producers who will face serious balance of payment difficulties. These interest groups can be the allies of the moderate Opec states and together this coalition can ensure that price reduction of the \$2-\$4 a barrel suggested by Sheikh Yamani at Geneva.

There is a fundamental flaw in this argument, however. As *The Economist* has argued,

it is in the interest of the West as a whole "to try all the time to bring the price of oil further down." Moreover, the greatest beneficiary of the fall in the price of oil is the superpower within the western camp – the United States of America. Falling oil prices will strengthen the dollar against European currencies, reduce inflation and lower interest rates. The strong economies of Europe will also experience a strengthening of their balance of payments. Econometric models forecast that a 10 per cent fall in oil prices (that is, \$30 a barrel for Saudi crude) will increase growth by 0.5 per cent per year and reduce the inflation rate by between 1 to 1.5 per cent over a period of two years for the OECD economies.

Even the oil majors are unlikely to resist a drop in the price of oil. It must not be forgotten that it was a policy of deliberately running down reserves on the part of the oil majors which precipitated the current oil glut.

The oil majors expect a short-term initial reduction of about \$5-\$6 in the price of oil. In the view of the oil majors "this is the price that will restore some stability to our industry." The oil majors have been cutting down their Opec intake and buying oil at a price about \$4 lower than the Opec reference throughout 1982.

Lower oil prices do not mean lower profits for the oil majors. Most of them are heavily diversified with extensive investment in downstream operations. Lower oil prices can be converted into profits in refining operations. Due to the fall in the price of oil the petroleum transnationals in Europe and North America staged a substantial recovery. Losses in refining operations have been all but eliminated in the last three months of 1982. The oil majors confidently expect to make substantial profits from refining operations in 1983.

Falling Opec prices have also led to an increase in concentration in the oil industry. Smaller oil companies who bought from the non-Opec market at cheaper rates have had the ground cut from under their feet. Most of these companies have high debt-equity ratios and competition from the majors can lead to a chain of bankruptcies. During 1982 more than 1,000 American small independent operators went out of business.

Finally, the banks are also not likely to be unduly perturbed by falling oil prices. If this creates problems for some debt ridden countries – such as Mexico – it considerably eases the situation for others, like Brazil, South Korea, Taiwan and other exporters of manufactured products. The big banks hope that the reduction in the price of oil will lead to a fall in interest rates – particularly in America – and trigger investment, and that the IMF will devise packages for the "orderly" trimming down of countries such as Mexico and Venezuela.

It is therefore unrealistic to hope that a fall in the price of oil following the dismemberment of Opec will be checked by an effective coalition of interests within the West. These interest groups may combine to ensure an orderly reduction in the price brought about not at once but in sequential stages. Moderate oil exporters do not have the kind of international political or economic leverage to ensure that the West agrees to pay a fair price for oil, however. If Opec were to be dismembered the political and economic influence of both moderate and non-moderate oil producers is likely to be seriously affected.

Both "moderate" and "non-moderate" implicitly accept this fact. That is why the most likely scenario seems to be one in which Opec is allowed to go into a state of limbo until the time the demand for oil recovers significantly. During the 1960s, when the stranglehold of the oil majors was particularly severe, Opec remained dormant. Once political and economic conditions improved Opec asserted itself with vigour.

Thus a temporary lapsing of Opec's authority may not mean its demise. In the 1990s it may be expected to re-emerge as a powerful influence and attempt to regain the losses incurred during the present decade. This is likely to be an extremely difficult and complex task. As Alhaj Yahaya Dikko, president of the Vienna conference of Opec, said: "A substantial price cut once effected cannot be automatically reversed; other forces will undoubtedly come into play to see to that."

Moreover, even if a resurrected Opec succeeds in recouping all the losses of the 1980s in the following decade, it will still remain at the mercy of transnational corporations, western governments and the other "market forces" which have since the signing of the Bretton Woods Agreement ensured that the lion's share of the gains from trade and from growth are appropriated by the West.

Such a scenario envisages a temporary reprieve in the death sentence which the West seeks to pass on Opec. As we have seen earlier, an increase in the price of oil will stimulate a search for and an increased application of other energy sources. The effective supplanting of oil will occur in the first two decades of the 21st century – as the World Energy Conference model shows. By 2020 at the latest – in all probability much earlier – Opec will cease to exist and the oil exporters will lose their significance within the world economy.

It is possible to conceive of a third scenario – one which envisages the transformation of Opec. Since its inception in 1960, Opec has been exclusively concerned with issues related to prices and the determination of production quotas and targets. This has been a deliberate choice of Opec members. There is nothing in

the statutes of the organisation which prevents it from playing a role in harmonising the economic policies of its member states.

Putting an emphasis on policy harmonisation is necessary – indeed imperative – for two reasons. First there is the problem of the investment of the surpluses earned by the Opec countries. There is a clear market preference for liquid and short investment of their funds in western credit markets. Dr Cyrus Ebrahimzadeh, Iran's deputy minister of economic affairs, has estimated that over the period 1974-76 over two-thirds of such funds were deposited with banks or invested in treasury bills. By 1980, this ratio had declined due to the fall in short-term interest rates. Opec members then showed a preference for long-term bank deposits and fixed interest securities. The subsequent rise in interest rates led to another reallocation.

Some money has also gone into the purchase of real estate, hotels and industrial assets. Such purchases have incurred a great deal of hostility with accusations of "Arabs taking over the country."

The problems with such investments are twofold: first, their developmental impact on the member countries' domestic economy has been insignificant. Second, the freezing of the Iranian assets by the Carter administration, highlights the extreme vulnerability of investing governments. These "assets" may cease to exist at any moment. The monopoly press of the western democracies has the ability to justify such acts of seizure and brigandage.

There is, therefore, an urgent need to recycle the surplus into the Opec countries and to increase their absorptive capacity. This requires the establishment of imaginative regional integration schemes focused on the development of a set of carefully chosen "integrative" industries such as fertilisers, pharmaceuticals, industrial chemicals, pesticides, and so on. These industries are oil-based but have the potential to disseminate the impact of the development of the petroleum sector throughout the economy.

Opec member countries make increasing use of their energy products. Opec estimates that in the late 1970s "domestic consumption of petroleum was in the order of 2.1m bpd and of gas about 1.3m bpd. At that time Opec was exporting about 30m bpd. Opec forecasts showed that domestic consumption of petroleum products would rise to 3.9m bpd by 1985 and 6.3m bpd by 1990. This must imply a reduction in export volumes.

Such a drop in exports is to be welcomed if domestic consumption of energy is efficient and productive. Opec can play a crucial role in suggesting ways for a domestic deployment of capital surpluses.

Opec already has a programme of aid, but the sums disbursed are an insignificant proportion of the capital surplus of member countries. Moreover, Opec is tied to the same nebulous "Third World" concepts that have ensured the ineffectiveness of the OECD's aid efforts.

What is required is a recognition of a reorientation of Opec's role as an instrument for enhancing the economic power of member countries. It can play this role by accelerating their process of industrialisation and reduce their dependence on the West. In Asia and Africa Opec can become a vehicle for regional integration within the Muslim world. It can contribute significantly towards increasing the economic resilience of the oil producing states and their immediate neighbours. Such a policy can be pursued if Opec's organisational mandate is extended.

*Javed Ansari*

#### Wanted: A New Helping Hand

It is often asserted that Opec countries ought to compensate the developing world for the consequences of the two oil price rises by increasing aid to them. No doubt the availability of increased oil revenue enabled the Opec countries to extend aid on a substantial scale to developing countries, but the main aid recipients during the 1970s were not, in fact, those countries most affected by the Opec price increases.

In 1979, the eight industrialising countries with a 70 per cent share of the developing countries' manufacturing exports took 70 per cent of Third World oil imports. The annual oil imports of the 31 poorest countries is only about 4 per cent of the total. Yet during 1973-79 the group of least developed countries received some \$4bn in aid from Opec countries, as against the \$3.3bn they spent on oil imports. During 1974-80, these countries accounted for 13 per cent of Opec aid. Thus there is no direct link between aid and oil imports.

Concessional aid – that is, aid given at less than market interest rates – in the Opec aid has been quite substantial during the 1970s. But the sheer magnitude of Opec aid, though still small in comparison with aid from OECD countries, is nonetheless very significant. During 1974-76, concessional flows from OECD countries to developing countries were about 0.34 per cent of their collective GNP, a figure well below the 0.7 per cent target set by the Brandt Commission. The equivalent for Opec was in the range of 2 to 2.7 per cent. If non-concessional flows are also taken into account, it would be 3.4-4 per cent.

Moreover many of the loans have lower interest rates and longer maturities than those

from institutions such as the IMF. During 1973-76, concessional multilateral Opec aid, though increasing from about \$100m to \$796m, was nonetheless small in relation to bilateral aid. The predominance of the latter is explained by the fact that Opec countries, like other aid donors, would like to make sure that the source of aid to the recipient countries is visible.

However, the development of Arab multilateral aid agencies such as the Arab Bank for Economic Development in Africa (Badea), or the Islamic Development Bank, has brought about some diversification away from bilateral aid. Another characteristic of Opec aid is its early concentration on neighbouring Muslim countries: since 1974, however, many Arab national aid agencies have extended their eligibility rules to all developing countries and, in 1977-79, multilateral aid accounted for 30 per cent of the Opec flows.

The institutions through which Opec aid is channelled consist of national funds (such as the Saudi Fund and the Kuwait Fund), multilateral institutions established jointly by Opec and other developing countries (such as Badea), existing multilateral institutions (such as the World Bank), and new multilateral institutions with the participation of Opec, developing and developed countries (such as the International Fund for Agricultural Development, Ifad, and the projected Common Fund for Commodities).

The most important Opec collective aid facility, however, is the Opec Fund, which was constituted in 1976 by collective aid efforts of all the 13 members. The Fund's lendings fall into two categories: balance of payments loans (now extended on a smaller scale than in the 1970s) and direct project lending (now its main activity). The emphasis has been on financing of energy, food and infrastructural projects. The share of energy projects lending, aimed at reducing the dependence of recipients on imported energy, has increased from 27 per cent in 1976 to 64 per cent in 1980.

The Fund's fifth lending programme, in 1981, includes all the least developed countries on its priority list, with interest-free loans extended to about 16 of these countries. Thus, a unique feature of the Opec Fund is to combine the project lending activities of bodies such as the World Bank with the short-term lending of institutions like the IMF.

By the beginning of 1982, the Opec Fund had allocated 143 loans for balance of payments support and 123 for project and programme financing. Of these, 147 loans (\$578m) were allocated to Africa, 79 (\$564m) to Asia and 41 (\$160m) to Latin America. In addition, \$29.4m had been allocated for UNDP, \$436m committed to Ifad, \$84m allocated to the

Common Fund, and \$11m to the Trust Fund administered by the IMF.

Despite this impressive record of Opec aid, its effectiveness is yet to be assessed. There is now a growing school of thought that views aid as promoting consumption at the expense of potential savings in developing countries.

This problem of "fungibility" of aid calls for some evaluation of aid's value to developing countries. Opec aid seems to have avoided some of the drawbacks traditionally associated with aid. For example, the Fund's infrastructural projects are normally financed if there is a precondition for the growth of regional integration and trade among developing countries, itself an issue of high economic priority. For agricultural aid, too, there seems to be an awareness of the necessity of extending credit to small farmers.

Nonetheless, without an overall assessment of Opec aid since 1973, one cannot be sure that it has effectively achieved the aims of Opec lending. Furthermore, the fact that Opec countries are themselves developing countries means that aid funds do not come back to them as orders for manufactured goods or repayments for bank loans, unlike aid from the industrialised countries.

To this extent, Opec aid can be seen as contributing to increased demand for goods and services from the industrialised countries, as well as facilitating the developing countries' payment of debts to the western banks - hence the keen interest among the bankers, industrialists and governments of the developed countries calling for increased Opec aid to non-oil developing countries. One wonders whether the issue concerns help to developing countries or releasing of funds for the West. Opec aid could be used more effectively for the than has been the case so far.

Most institutional solutions proposed to deal with the problems of commercial independence and economic development in the developing world are supposed to function through the World Bank or the IMF. Yet none of them are structurally suitable for the redirection of Opec aid and surplus funds to achieve greater economic development.

The IMF is primarily an institution lending money on a short-term basis. Solutions to development problems require availability of large sums of loans with low interest and long maturity, which is beyond the present structure of the IMF. Nor can the World Bank offer the

developing countries finance on a scale needed for their development programmes. The World Bank's non-concessional finance essentially extends assistance to specific projects after a long and slow process of evaluating them on a commercial basis.

Another alternative suggested by the Brandt Report is a "World Development Fund" which combines the functions of both the IMF and the World Bank of short-term lending and project assistance. But the main resources for such a bank are supposed to come from the governments of the industrial countries. And, considering that the aid record of these governments has fallen well below the targets set by the Brandt Commission, this proposal clearly does not have much chance of being implemented.

In contrast to the above proposals, all of which work through the IMF or the World Bank, a proposal was suggested by Algeria and Venezuela in 1979 in Caracas for the creation of a "Third World Development Agency" based on an extension of the Opec Fund. The basic idea is for Opec states and developing countries to have a joint pool of credit for short-term support and long-term project lending. It would also provide countries with an alternative source of finance when the IMF conditions could force them to abandon their economic priorities. (In the long-term, this agency could finance development projects that would promote trade among developing countries and create a Third World capital market. The agency could use the surplus credit of Opec as security against loans from the industrial countries for the benefit, particularly, of those poor developing countries with no access to private capital markets.)

The Algerian suggestion, based on the dual functions of the Opec Fund, aims to redirect the benefits of Opec's aid to the promotion of economic links among all developing countries and offers a more effective alternative to aid financing. It envisages significant extensions to the functions and the structure of the present Opec Fund to enable it to face the whole problem of recycling and gain a greater degree of financial independence for the developing countries.

The proposal for the Third World Development Agency was not adopted in 1979, but everything that has happened since indicates Opec's need for an institution of this kind.

Bahman Roshan

ARMENIAN AFFAIRS

DETAILS ON ASSASSINATION OF TURKISH ENVOY IN BELGRADE REPORTED

Beirut AZTAG in Armenian 10 Mar 83 pp 1,8

[Text] The Turkish Ambassador to Yugoslavia, Galip Balkar, 46, was subjected to a terrorist attack in central Belgrade yesterday noon, and, having been critically wounded, he was rushed to a hospital.

The Justice Commandos of the Armenian Genocide claimed responsibility for the attack in Athens, Paris and Beirut.

The Attack

The attack on the Turkish ambassador took place at 11:55 am Beirut time in central Belgrade, 400 meters away from the Turkish embassy, when the ambassador's car stopped for a red traffic light. According to eyewitnesses, two or three unidentified gunmen opened fire in the direction of the car. The car's windows were shattered, the ambassador and his bodyguard-chauffeur were wounded and were taken to a hospital.

Following extensive brain surgery, the Turkish ambassador remained in a coma. The left side of his brain is reported to have been severely damaged.

Balkar was a bright diplomat who was serving for the first time in an ambassadorial position.

After the attack, a shootout took place between the terrorists and Yugoslav secret policemen who were in the area of the incident. The policemen fired on the terrorists wounding one of them, who was taken to the hospital. The policemen's bullets also wounded a student, who died later on, and a second bystander who had tried to stop the terrorists. The second terrorist managed to escape in an Alfa Romeo car driven by a woman. The car was later found abandoned in another street in Belgrade.

The police has launched a manhunt. According to travelers, the Belgrade airport was closed.

Responsibility

Responsibility for the shooting of the Turkish ambassador in Belgrade was first claimed in Athens. A news agency received a letter and then a tape recording, in

which the Justice Commandos of the Armenian Genocide declared: "We attacked the Turkish ambassador to Yugoslavia. The purpose of this act is to focus the world's attention on the Armenian question and to protest the injustice which the Armenian nation continues to remain a victim of."

The message also accused "certain governments" of trying to oppress the Armenian nation and noted that the Justice Commandos of the Armenian Genocide had in the past attacked Turkish diplomats in Vienna, Paris, Rome, Lisbon, Sidney and other cities.

Unidentified parties speaking on behalf of the Justice Commandos of the Armenian Genocide also claimed responsibility for the shooting of the Turkish ambassador with similar statements in Paris and Beirut. The callers noted that this act was aimed against the Turkish government, which refuses to accept responsibility for the genocide it perpetrated in 1915, and stressed that the struggle of the Armenian nation will continue.

#### Turkey's Reaction

The Turkish Foreign Ministry contacted the Yugoslav government and asked for special security measures for the protection of its diplomats.

The President of Yugoslavia sent a letter of sympathy to Turkish President Gen Kenan Evren and assured him that every effort will be made to bring the culprits before justice.

#### The Terrorists

The Yugoslav official news agency, TANJUG, reported in the evening that a police spokesman announced at 19:00 that one of the terrorists who shot the Turkish envoy is Harutyun Krikor Levonian, who was wounded and taken to the hospital. Levonian was born in 1960 and carries a Lebanese passport. The second terrorist is believed to be Aleksandr Elbekian, a Lebanese national who has not been captured.

--AZTAG also received a telephone call in which an unidentified male voice said: "I claim responsibility for the shooting of the Turkish ambassador in Belgrade and his bodyguard today on behalf of the Justice Commandos of the Armenian Genocide. We claim full responsibility for this act and we assure you that no other grouping is any way linked with this incident."

#### Past Terrorist Attacks

Several Turkish diplomats and organizations have been the targets of attacks by the Justice Commandos of the Armenian Genocide since 1975. The attacks took place in the following order: The Turkish ambassador in Vienna on 22 October 1975; the Turkish ambassador in Paris on 24 October 1975; the Turkish ambassador in the Vatican on 9 June 1977; the wife, the brother-in-law and the chauffeur of the Turkish ambassador in Madrid on 2 June 1978; the son of the Turkish ambassador to the Netherlands on 12 October 1979; and the director of the Turkish Tourism Office in Paris and the press attache of the Turkish embassy in Paris on 22 December 1979.

Then came the assassination attempt against the Turkish ambassador to Switzerland on 6 February 1980, the assassination attempt against the Turkish ambassador to the Vatican on 17 April 1980, the two bomb explosions at the Turkish embassy at the United Nations in New York and a Turkish travel office in Los Angeles, the shooting of the Turkish consul general in Australia and his bodyguard on 17 December 1980, the assassination attempt against the first secretary of the Turkish embassy in Copenhagen (the secretary was shot with six bullets and was critically wounded) on 3 April 1981 and the bomb attack against the Turkish consulate in Los Angeles in November 1981.

On 28 January 1982, Turkish Consul General in Los Angeles Kemal Arikán was assassinated in Los Angeles. Turkish Consul General in Boston Orhan Gunduz was assassinated on 4 May 1982. The administrative attache of the Turkish embassy in Lisbon and his wife were shot on 7 June 1982. The military attache of the Turkish embassy in Ottawa, Atilla Altikat was assassinated on 27 August 1982. The administrative attache of the Turkish consulate in Burgas, Bora Solkan, was assassinated on 9 September 1982.

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ITALIAN PAPER REPORTS ON ARMENIAN DIASPORA

Beirut AZTAG in Armenian 11 Mar 83 p 6

[Text] [Editor's note:] The article whose translation appears below was written by Emo Egoli, a leading figure in the Italian Socialist Party and the Socialist International, and was published in the Italian daily, AVANTI. The article has merit from a perspective of presenting the Armenian cause to foreign circles and the people of Italy in particular and is interesting in view of the ideas that have taken root in that country for the purpose of making the voice of the Armenian nation heard on international forums.

The Armenian diaspora is naturally not as ancient as the Jewish diaspora; in chronological terms it can be compared to the Palestinian diaspora.

Approximately 4 million Armenians live in the diaspora, concentrated mostly in the United States, Syria, Lebanon, France and Greece. Another 3 million Armenians live in the Armenian Soviet Socialist Republic. No one can deny the value of the traditions of the nation and the people formed by these two groups. It is particularly hard to disregard the Armenians' determination to adhere to these values and their work to preserve them in various communities around the world while they remain deprived of their seized lands.

At a time when the liberation movements of many nations find new orbits of activity and when these movements are found worthy of international assistance, many manifest realities remain disregarded by everybody.

Yesterday, it was the turn of the Palestine Liberation Organization to exert itself, mainly as a result of the justness of its cause but also as a result of its military activity which was able to shock the world even though it appeared very controversial at times.

Today, it is the Armenians who have come on the stage. Although they have condemned the use of force more than anybody else, the Armenians have not been able to escape the military realities that have emerged in their environment, and, influenced by the experience of others, they now believe that ideas can move forward with the help of arms.

This hypothesis appears meaningless to the consumer societies of the West, but carries a fundamental meaning for underdeveloped peoples and those who live under the heavy yoke of dictatorships.

Before 1915, the Armenian people lived in relative peace in the mountainous region in present Turkey near the Soviet border. They had lived in that area for centuries, much before the Ottoman Empire and the Grande Porte were established. Centuries before, Indo-European races had formed a nation which did not remain indifferent to Christian and Byzantine civilizations and which produced its own international treasures, including many artists--musicians in particular--of world renown.

On the eve of World War I, by a meaningless twist of history or in a premeditated political move, the Young Turks--that is, the leaders of the reform movement that sought to extricate Turkey from its feudal depression--organized a genocide. They eventually massacred more than 1.5 million Armenians and uprooted the survivors, thus displacing an entire nation and exposing it to annihilation.

Thanks to the assistance and hospitality of Syria, Lebanon, France and Greece, this uprooted nation was able to organize itself in the diaspora and to preserve its historical, cultural, religious and linguistic traditions.

A lot has been written about this genocide. The archives of the foreign ministries of West European countries are full of documents condemning the events of 1915 to 1916, and there is no need to repeat them here.

A people and a nation cannot be annihilated by genocide or deportation. It was not possible to annihilate the Jewish people, the Palestinians and the people of Namibia, just as it was impossible to annihilate the Armenian people, which not only has the right to life and self-determination, but also has historic evidence of having its own homeland.

But the issue does not end in admitting those rights. In the case of other nations at least there are solution plans, irrespective of how good or bad they are. Thus, for the Palestinians there is the West Bank and the Ghaza; for the Namibians, it is sufficient to liberate their homeland from temporary and illegal occupiers. But, what about the Armenians? Can anyone tell Turkey to let go of the lands it has occupied illegitimately and to return them to their rightful owners? Today, we understand the seriousness of this problem which needs more international attention in view of Turkey's other dispositions. This is an issue that must develop and ripen with ideas appropriate to its correct environment. First of all, the reality of the genocide must be accepted. The word "never" does not exist in politics; there are only political dispositions and balances of forces. Our interests dictate that political dispositions be the dominant factor and not the balances of forces.

However, in order to do that the issues must be evaluated and addressed. They must not be covered up, as Prime Minister Colombo did by not answering to the questions addressed to him by comrade Giorgio Mondino.

As socialists, we often had the chance to come in contact with the Armenian Socialist Party\*, which is the party of the majority of the Armenians in the diaspora. This is a party which has the full right and standing to be a full member of the Socialist International, to have its own seat in the organization and to have the forum from which it can express its ideas.

This is the only serious way to avoid violence and the only way to understand and to make the voice of justice heard.

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\*In reference to the Armenian Revolutionary Federation which has participated in the Socialist International from the very first days of its formation.

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ARMENIAN AFFAIRS

JUSTICE COMMANDOS' AIMS DISCUSSED BY 'REUTER', 'AFP'

Beirut AZTAG in Armenian 11 Mar 83 p 8

[Text] [Editor's note:] Below is an article transmitted by the REUTER news agency from Beirut following the terrorist operation against the Turkish ambassador in Belgrade. Although the article contains some erroneous information--such as the number of Armenians around the world--we present it in its original form, having in mind that the article tries to shed light on the continuing injustice dealt against the Armenian nation on the one hand and the goals of the armed struggle waged against the chief perpetrator of that injustice, namely the Turkish government, on the other.

The Justice Commandos of the Armenian Genocide [JCAG], which claimed responsibility for the terrorist attack on the Turkish ambassador to Yugoslavia, is a secret armed organization which has undertaken at least 15 attacks against Turkish targets since 1975.

The JCAG have declared that the goal of their struggle is to win justice for the approximately 4 million Armenians spread around the world whose historic homeland is now part of eastern Turkey and the Soviet Union.

During World War I, hundreds of thousands of Armenians were uprooted from their homes by the Turkish government which suspected that the Armenians were collaborating with their enemy, Russia.

The Armenians claim that the Turks massacred 1.5 million Armenians during their forced migration, but successive Turkish governments have refused to accept those charges.

The activities of the Justice Commandos have included bomb attacks, but their distinguishing mark is armed attacks against Turkish diplomats. For example, during the Belgrade operation, two gunmen opened fire on Turkish Ambassador Galip Balkar's car and critically wounded the envoy.

In a pamphlet distributed last year, the Justice Commandos declared that they "are strongly convinced that no just cause can be won by peaceful means. We believe that the only means to realize our goal is to continue our revolutionary struggle steadfastly until final victory."

The pamphlet did not specifically state what the organization demands for the Armenians, who are spread over five continents in more than ten countries. But the pamphlet did refer to "our right to a homeland and self-determination."

Little is known about the identity and strength of the Justice Commandos. Until the Israeli invasion of Lebanon, the JCAG used to issue communiques regularly from the Lebanese capital, where tens of thousands of Armenians live.

After the operation in Belgrade, the Commandos first claimed responsibility for the attack in Athens, but later they also called a news agency in Beirut.

Members of the Tashnak Party [Armenian Revolutionary Federation], a well-known Armenian faction, have unofficially expressed a certain amount of sympathy for the Justice Commandos, but they deny having any links with them.

The JCAG appear to be operating independently from the other major Armenian armed faction, the Armenian Secret Army for the Liberation of Armenia, which is believed to have ties to radical groups within the Palestine Liberation Organization.

The JCAG have organized several terrorist attacks in Europe and Australia, but last year they appeared to be particularly active in the United States where a series of bomb attacks and assassinations ended in the arrest of five Armenian young men in Los Angeles in October.

The last JCAG operation prior to the attack on the Turkish ambassador in Belgrade took place in September in Bulgaria where a Turkish diplomat was assassinated.

The most recent operation of the Armenian Secret Army took place on 28 February in Paris where a woman was killed as a result of a bomb explosion in a travel office.

[Signed] Paul (Eadel)

'Struggle Only Against Turkish Government'

In a message to AFP, the JCAG declared: "Our revolutionary activity began in October 1975 with the assassinations of the Turkish ambassadors in Vienna and Paris."

In the message delivered in Paris, the JCAG stated: "We are present in four corners of the world, and we will strike against the representatives of the Turkish government, wherever they are, until Ankara recognizes the right of the Armenian people to have a free and independent state." The JCAG demanded that Turkey begin negotiating with their representatives about the return of the Armenian lands.

The JCAG stressed: "Having been disappointed with the conventional methods aimed at securing our homeland, we have, for the past 8 years, moved away from the peaceful activities of our parties." The JCAG message added: "Our struggle will not cease. Our struggle is aimed only against the Turkish government."

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MAKEUP, OBJECTIVES OF NEW INTELLECTUAL CLUB DISCUSSED

London AL-DUSTUR in Arabic No 274, 21 Feb 83 pp 22-24

[Interview with Dr Sa'd al-Din Ibrahim, Political Sociology Professor at American University of Beirut, by Jamal Isma'il: "Democracy Is 'Missing Duty' in July Revolution; We Were not Able to Change the President of the Republic Except by Death and If This Situation Continues It Is Better for the President to Be Independent of Parties; If al-Manshiyah Incident in 1954 Was the Shout of Death, Then the Reviewing Stand Incident of 1981 [al-Sadat's assassination] Is the Shout of Revival and Life"]

[Text] The name of Dr Sa'd al-Din Ibrahim, the political sociology professor at the American University of Cairo, is one of the names which became known throughout the information media inside and outside Egypt in the wake of al-Sadat's assassination in his capacity as one of those researching the phenomenon of the religious groups, their thought and the reasons for their appeal.

Afterwards [presumably after al-Sadat's assassination], an announcement was made in Cairo on the formation of an intellectual club [muntada] including bright Egyptian names in the spheres of politics, thought, literature and art, such as Ahmad Baha' al-Din, Yusuf Idris, Nawal al-Sa'dawi, Nadiyah Lutfi and others. Dr Sa'd al-Din Ibrahim was one of the club founders.

They have said the club is the nucleus for a Nasirist party and that the man behind the idea of founding it is Muhammad Hasanayn Haykal. It has been reiterated that its founders are tantamount to a working team whose task is to advocate and theorize for the thought of the new administration in Egypt and that Dr Usamah al-Baz, President Mubarak's adviser for political affairs, is one of the undeclared founders. When Dr Sa'd al-Din Ibrahim wrote to warn of the danger of leaving the issue of research financed by the United States without state control or planning, some Egyptian opposition circles said in comment that Dr Sa'd was right in his call but forgot to include his name in the list of "collaborating" researchers.

I met him in London and at the outset of the interview, I presented to him all the questions and the "rumors" and he proceeded to deny, defend and answer.

[Question] Regarding the statement that the club is a nucleus for a Nasirist party, he said:

[Answer] I don't know the source of this rumor though I don't exclude it. It can be said that most of those who thought of founding the club are members of the generation that grew up and flourished under the canopy of the July revolution and that they harbor special admiration or appreciation for the revolution and for its leader. But it is not accurate or objective to say that we are Nasirists in the conventional sense, especially in the post-'Abd al-Nasir period. We are also aware of the enormous mistakes committed in the Nasirist era. Like any momentous and gigantic revolution, there were gigantic accomplishments and gigantic mistakes and actions that caused Egypt and the Arab homeland numerous negative ramifications. What I mean is that our belief in the July revolution and our appreciation for the great historical role played by 'Abd al-Nasir, we do not adopt this revolution blindly but rather in a progressive manner that tries to learn the lessons of success and failure in order to formulate the future. We don't believe that the Nasirist formulations, as implemented in the 1950's and 1960's, are fit for the 1980's.

[Question] After this prelude which is likely to clarify the ambiguity and confusion engulfing the club's "Nasirism," I asked Dr Sa'd about the most significant points of failure, as he sees them, in the July revolution but he resumed talking about the club, saying:

[Answer] The group which founded the club believes that democracy is the "missing duty" in the July revolution. If may be said that we are the 23 July generation, that we were children upon the inception of the revolution, that we have all benefited from it and that we were from humble class backgrounds, we were people who would not have probably had the opportunities of getting an education and of improving our economic conditions if the revolution had not taken place. But this does not preclude the fact that we had and still have numerous reservations on the July revolution or on the acts which were perpetrated in the Nasirist era, the most important reservation being what I call the missing duty, namely democracy. Therefore, our objective in the club is to complete what the Nasirist face of Nasirist era of the July revolution lacked.

[Question] Before Dr Sa'd al-Din Ibrahim could answer the other points or other rumors circulated regarding the club, he proceeded to discuss the idea of its formation and how, like any other idea, it started with a very small group of personalities and then grew gradually.

[Answer] We started thinking of this club seriously in the wake of al-Sadat's assassination. Before the assassination, especially in September there were personalities which had not been touched by the arrest campaign decisions. These personalities felt that the Egyptian regime was entering a real historical crisis and that the formulas present on the arena were not fit for leading Egypt or the Arab homeland out of this historical crisis. Consequently, we had the urgent feeling regarding the need for new thought to stir the stagnant swamp. We started thinking but could not draw up a timetable for implementing what we want. Then the assassination took place and immediately afterward, we started giving thought anew to crystallizing our ideas.

## Agents of History

Dr Sa'd says that when the time came to bring the idea into existence, adopting the decision required continuous, frank, and detailed discussions on whatever pertains to this club and its position in the Egyptian and Arab society and on whether it should or should not be a party, on its intellectual and cultural role, on its principles and on its relationship with the government, the opposition and the public opinion inside and outside Egypt.

All these matters were discussed because we were aware that what we have been doing was not going to bear fruit overnight and that it is a process of historical labor through which we try to translate what we, as the agents of history, see in society, if you like. There was no hurry, despite the strong pressures exerted on us to speed up announcement of the club. We did not wish to commit the same mistakes committed by others.

[Question] How was it decided to have the club as an association declared through the Ministry of Social Affairs?

[Answer] We felt that Egypt needs new intellectual premises and does not need to be preoccupied with the power game. One of the characteristics of a party is not only to propagate a certain ideology but also to try to attain power to implement this policy. Our main concern was to formulate a new national cultural plan for Egypt and the Arab homeland--a plan in which we play the role of stirring the Arab intellect and creating the nucleus of an enlightened and influential public opinion through which it is possible to influence politics without getting directly involved in the power game. When this conviction was reached, we found that the way to legally transform this conviction into action was to put it in the form of a charitable society. The model we had in mind was the Fabian Society which emerged in Britain in the late 19th century and early 20th century and which actually influenced Britain with its serious discussions on the social problems and the issue of democracy. One of the fruits of its intensive intellectual action was to inspire other groups to organize, including the Labor Party.

We say that we need a period during which we engage in a historical review of all that has happened in the recent period and that is happening at present. If this intellectual action then results in the creation of a political movement or party, then this will have happened automatically. One of the misfortunes of the political organizations in the past 30 years is that they have come into existence through the government and were delivered unnaturally through a caesarean section. This is why they have not been destined to succeed whereas people poured in to join a party such as al-Wafd Party, which had remained dissolved for long years, when it was re-formed.

[Question] Let us return to the "rumors" and to the link made between the names of Dr Usamah al-Baz and Muhammad Hasanayn Haykal and the club.

[Answer] Concerning Haykal, he has nothing to do with the club. He has not asked to join and we have not asked him to join. But as a personality with its influential status in Egypt, he has been following up the club's news. As for

the press reports saying that the idea was born at Haykal's residence or at his "farm," they are not true. For the sake of the truth and for history, I must say that Haykal has a brother who lives in the United States and that it so happened that we met with him at Haykal's home on the occasion of his visit to Cairo by virtue of the friendship that binds us. There, the discussion touched on the issue of the club in which we had made long strides, meaning that the discussion was not on the club's birth but on its nature. Some of the Grouping Party members joined the discussion. The entire session was tantamount to questions on their part and explanations by some of the club's founders who happened to be present at the session. This is Haykal's relationship with the club, in addition to the fact that some of the club's founders work at the Studies Center of AL-AHRAM which used to be headed by Haykal. These founders have, of course, a strong relationship with Haykal. And so do I, having known him closely as a fellow student and recently at the American University of Cairo, in addition to his being one of the eminent Arab journalists.

[Question] Dr Sa'd al-Din then proceeded to discuss the relationship of Dr Usamah al-Baz, President Husni Mubarak's advisor for political affairs, with the club. To start with, he asserts that this issue must be put within its real dimensions, saying:

[Answer] There is no organic [close] or non-organic [remote] relationship between us and President Husni Mubarak. Of course we, in principle, have no positions hostile to the government. President Mubarak has permitted a relatively large margin of freedom and we are utilizing this margin. This is the only relationship. He has asked us for nothing and we have asked him for nothing. The reason for involving the name of Dr Usamah al-Baz is perhaps the personal friendship and relationship which binds us, considering that we were fellow students in the United States. He was chairman of the Arab Students Organization one year and I was the chairman the following year. As for the club, Dr al-Baz has no role in it. But by virtue of his being in the government, he follows up and has an idea of what we do. We, of course, want to influence both the parties and the government. But it would be an exaggeration and a falsehood to say that we establish principles or theorize for the regime.

[Question] As we have already pointed out, the name of Dr Sa'd al-Din Ibrahim became well known in the wake of al-Sadat's assassination and through the academic and field studies he has conducted on the idea of the religious currents in Egypt. I asked Dr Sa'd to evaluate for us the opinion stating that the religious current's position toward the July revolution has not changed throughout the past 30 years and that the stand incident on 6 October 1981 was an extension of al-Manshiyah incident of 1954. Dr Sa'd said:

[Answer] There is a sort of over-simplification in this view which is based on understanding the Islamic current of protest. The proof is that in the period from 1952-54 there was some sort of a complete alliance between the Muslim Brotherhood and the revolution. Whoever examines the list of the Free Officers and their backgrounds will find that nearly one half of them were connected with the Muslim Brotherhood. As differences occurred between the

Free Officers after the revolution's success, they also occurred between the Free Officers and some factions outside the Free Officers Organizations which had been cooperating with the organization since its foundation. Those factions included the Muslim Brotherhood, the Young Egypt, al-Wafd Vanguard and some other elements. They were all civilian factions cooperating with the Free Officers in one way or another. Some of them continued their cooperation after the revolution's success but then disagreed and the estrangement developed. I believe that the Muslim Brotherhood was the strongest civilian element to cooperate with the revolution. This is why the Muslim Brotherhood members expected after the revolution's triumph to have a much greater role than they were permitted to have. This was the start of the estrangement, i.e. the problem was basically one of dispute over power.

It is my personal opinion, says Dr Sa'd, that the July revolution presented the Muslim Brotherhood's program in a secular form, thus pulling the rug from under the Brothers' feet and, consequently, "nationalizing" the Brotherhood's masses.

On the basis of my research, I don't believe that 'Abd al-Nasir destroyed the Muslim Brotherhood with violence alone. The security measures by themselves were not enough to contain the Brotherhood in 1954 and to turn it into a marginal movement for 14 years. What contained the Muslim Brotherhood is that the July revolution, or 'Abd al-Nasir specifically, was able to nationalize the social bases or the groups to which the Brotherhood leaders used to turn. He offered those bases and masses all they had aspired for, namely honor, dignity and nonalignment but under different names: Social justice became Arab socialism, the slogan of neither eastern or western was practiced in the non-aligned and positive neutrality and other movements. This shows that the religious alternative, though not disappearing in the 1954-67 period, was not very popular. As for the al-Manshiyah incident, it represented the last shout by the Muslim Brotherhood or the awakening before death because the alternative came and offered everything the Muslim Brotherhood had been demanding in a modern secular form.

Along with the continued hostility in the wake of al-Manshiyah incident, especially at the personal level, came the 1967 setback to highlight the mistakes in the actions of the July revolution and the shortcomings of some of the revolution's leaders. At this point, the Brotherhood leaders began to regain their masses anew. Dr Sa'd al-Din Ibrahim says that if al-Manshiyah incident in 1954 was the shout of death, then the reviewing stand incident of October 1981 [al-Sadat's assassination] was the shout of revival and life and one of the [turning] points of this tide which began in the wake of the 1967 defeat. He adds:

To put the issue more objectively, we must point out that since the renaissance era, the Islamic alternative has been present on the arena as one of three alternatives with which society has faced the danger of penetration. The three alternatives are: Imitation or acting like the west, the compromise that combines the traditional with the modern and the alternative of returning to the pious ancestors.

When the compromise alternative fails and the alternative of imitation or of copying the west prevails, the alternative of rejection and the attempt to return to the pious predecessors resurface.

This happened in the days of Khedive Isma'il as it happened in the 1970's in the days of al-Sadat. This is because the Islamic alternative is present on the arena but its popularity goes through an ebb and flow. It disappears when the popular compromise alternative surfaces because it is obvious that the Egyptian people have the historical readiness to accept the compromise alternative, especially when it is credible. When this alternative fails, the tendency to turn to the Islamic current surfaces.

During the trial of the groups which assassinated al-Sadat, Tehran radio was spreading reports that there was a relationship between these groups and the other religious groups in Egypt on the one hand and the ruling regime in Iran on the other hand. Dr Sa'd al-Din Ibrahim has lived and mingled with the religious groups through the field studies he has conducted, especially the ones he conducted in the jails and during the trial. He says that the Iranian events began while he was conducting his study on the thought of the religious groups in Egypt. The information these groups had on situation in Iran was very meager and probably made the groups think that it was possible to achieve something similar [in Egypt]. Perhaps. But it is certain that the groups did not know a thing about what was going on in Iran and all that is said about the presence of "some sort" of a relationship is not at all true.

[Question] When the cases of corruption in Egypt began to be exposed, there emerged those who say that corruption is a phenomenon which Egypt has known in all ages. What is the opinion of Dr Sa'd al-Din Ibrahim, the sociologist, on this statement and on the corruption phenomenon?

[Answer] This is common talk. There are specific conditions that lead to the spread of corruption. It is well known that corruption can be an individual or social phenomenon; Individual in the sense that only a small number of individuals need to be dealt with. But corruption as a social phenomenon means that there is a flaw in the state agencies and institutions and in the prevalent values, that many people get involved and that a special evaluation is needed. In this case, we move from just administrative corruption to a corrupt administration, and there is a big difference between the two.

We must also differentiate between minor corruption and major corruption. Minor corruption lies in having this or that small citizen taking graft money as a result of living pressures in daily life. This kind of corruption is usually the answer of the suffering classes to the maldistribution of wealth.

Major corruption is when prominent influential people and people in positions of power engage in such acts. This is the phenomenon of corrupt administration (against) which there are rules and regulations. In this case, there is the so-called standard law which is the alternative to the declared law.

The declared law urges honesty, sincerity and loyalty to the homeland. But there is an undeclared law which is stronger than the declared one. This is

what happened in the 1970's when numerous new values were introduced. These values devoured the official standards and established other standards which became the motive behind the behavior of many people. The moral system disintegrated to the extent where an honest man came to be considered a "block-head" and where an honorable man turned into a lonely creature whose naivete became the laughing stock for people. This is something which has a most serious impact on the morale, values and capabilities.

[Question] What is the opinion of Dr Sa'd al-Din Ibrahim, who is one of the founders of the Egyptian Club [muntada misr] about current thoughts, especially the democratic thought, and on the view that says that the president of the republic must be independent of the parties?

[Answer] I have no final opinion because the important thing here is the soundness of the system. If you give me a sound democratic system, then I don't care if the president of the republic is also the chairman of a party. But what makes this issue an urgent one is that we have not been able to change the president of the republic except through death. This is terrible and if this situation will continue, then it is better for the president of the republic to be far from the parties and to be above them, acting as a fair umpire among them.

As it started with replying to rumors, the discussion also ended with replying to an accusation addressed to Dr Sa'd al-Din Ibrahim by some of the opposition circles when he spoke of the need for the presence of a clear policy vis-a-vis joint research and the foreign penetration of Egypt occurring through this research. Commenting on Dr Sa'd's call, AL-AHALI, organ of the Grouping Party, said that Dr Sa'd was right in everything he had said but that he forgot to include his name [with those involved in this joint research]. Dr Sa'd answers: I did not mention any names because the issue is not one of persons or of names. I was analyzing a phenomenon in international relations between a developing third world country, namely Egypt, and a superpower, the United States. Understanding and analyzing this phenomenon is much more important than mentioning names. It is important to know if the joint research is conducted according to a national plan and in Egypt's interest and if we benefit from it or if it is conducted in accordance with plans drawn up in Washington, London or any other foreign capital without Egypt or the Egyptian State having a say or an opinion in determining the priorities or deciding how this research is utilized.

It is not at all surprising to me that the United States might try, through various channels, to create bases of support for itself because as a superpower it wants to control other countries. But the source of my surprise or panic is that there are those who are not aware of this fact or who are aware of it but collude in the act. I do not blame the United States but blame the Egyptian State, especially in the days of al-Sadat, when there was some sort of a rush toward research. Consequently, the dimensions of the penetration expanded. This is an issue on which we cannot remain silent.

As for AL-AHALI and for some of the people in charge of this paper, they wanted to transform the issue into a personal issue. This is due to a "disease"

from which some of the Egyptian leftist factions suffer. It is the disease of "leftist tribalism," meaning the division of the tribe into sub-tribes, then to branches and then to groups. This "group" suspects and condemns whoever does not belong to it. This "disease" becomes apparent only when these groups feel safe. But should the government exert pressure, they call for a united national front to fight the tryanny. If this tyranny subsides or embarks upon a truce, the attacks [by the left] begin and the harmful diseases of the Egyptian left surface.

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INTERVIEW WITH NPUG LEADER

PMI21656 Cairo AL-AHALI in Arabic 6 Apr 83 p 3

[Interview with Khalid Muhyi ad-Din, secretary general of the National Progressive Unionist Grouping [NPUG], by Philip Jallab in Cairo--date not given]

[Excerpts] [Question] How far has the situation changed with regard to the party's freedom of political action since President Muhammad Husni Mubarak took over office?

[Answer] Despite the fact that President Mubarak declares his adherence to the principal policies which we opposed during as-Sadat's era, his method in dealing with opposition political forces is quite different from as-Sadat's. Consequently, our method of dealing with him should be different. Moreover the rights we have obtained since the 6 October [1981] events came not as a coincidence but as a result of a long struggle and of some sort of recognition of a reality and political fact.

At present we are functioning in better conditions than in the past where our party's activities and conveying our views to the masses are concerned. However, although the party members are no longer persecuted as they used to be in the past, there are still certain practices "inherited" from the previous era, such as the ruling party monopolizing all powers relating to public affairs, such as the committees for the allocation of housing units, cotton and cement, giving full powers to the provincial governors and heads of towns and villages and not drawing a line between the functions of the party and those of the state and government.

We say that we object to the idea of the president of the republic belonging to a party in conditions such as those existing in our country. The remark that democratic governments, such as France and others, are set up on the basis of the party to which the president of the republic belongs is unacceptable because we are not steeped in democracy as France is.

[Question] If the NPUG is not a party "for the authority," as is alleged, does this not mean that, as the editor of one national newspaper recently discovered, it is a Marxist party and that one of the characteristics of its "Marxism" is that it "exploits" the sufferings of the masses in order to

create "confusion" so that the situation will deteriorate because such deterioration is the ideal condition for Marxists to start a revolution?

[Answer] I do not wish to talk so lightly about revolutions and their causes and the views of communists and Marxists about them, because if this were the case, no Marxist or communist party in the world would demand any reforms and no such party would participate in a coalition government with non-Marxist and noncommunist parties on the basis of reform programs.

But what concerns us is that first of all we are not a Marxist party. The party program is before the public and it cannot be said that it is a Marxist program. As for the idea that we would like the situation to deteriorate to the point of collapse so that we could take over power, that is a thought that shows political naivete.

Also, if the opposition parties are working for the collapse of the situation, as is alleged, why should the government, which is in control of everything, let the situation so deteriorate? If the publication of an opposition paper once a week leads to the alleged collapse, for what purpose are scores of government newspapers and magazines published and does the government have a monopoly of radio and television. Could not these legendary media stop the "collapse" for which the opposition is working?

Those who talk in this manner about the opposition are well aware of the fact that it is the existing painful situation, which is the result of the government's policy, that could lead to collapse if this policy continues because reality is stronger than all the government propaganda.

On the contrary, we believe that the collapse of the situation would open the road for adventurists and fascists who would exploit the deteriorating situation in order to achieve their goals. Of course we do not want the Egyptian economy to collapse so that we can reach office. Otherwise we would not have submitted to the economic conference, which President Mubarak called for, an interim economic reform program in the present conditions and under the existing regime, despite the fact that these conditions are different from our strategic economic aim stated in our program. Such logic is the logic of conspirators and not of politicians. Our party works in politics and does not believe in conspiracies.

[Question] Although the NPUG and AL-AHALI newspaper submit suggesting for dealing with the economic problem, certain officials are still asking the opposition to submit an economic "alternative." What is the alternative in your view?

[Answer] We have already submitted full proposals at the economic conference. The conference, for its part, adopted general guidelines but these have not been carried out. The guidelines recognize that some of the causes of the crisis stem from faults in the economic structure itself while others are due to the backwardness of some of the production sectors, as well as our economy's reliance on royalty income such as oil exports, Suez Canal revenue and remittances from Egyptians working abroad. When income from these sources

dropped because of reasons beyond our control, the Egyptian economy, in addition to its structural problem, faced a financial problem. And every time the country faces a financial crisis the government is asked to review the question of a subsidy so as to meet the deficit. We say that the situation should be dealt with by searching for a real way out, not by exploiting the adverse situation. One solution is to lay down a real austerity policy, as proposed by the party's economic experts in the AL-AHALI newspaper. We are prepared to tolerate a calculated and planned national austerity that can be tolerated by the classes on whose shoulders no further burdens can be placed. This is provided that such a measure is accompanied by a substantial change in the existing economic policies with a view to laying down a strong foundation during the coming year for a sound economy in the interest of the majority of Egyptians. The people can endure austerity when they realize that there is a sound new policy which will get them out of difficulties in a few years' time. But if the purpose is to make us sacrifice so that the rich become richer, the poor poorer, the corrupt even more corrupt and the plunderers more plundering, then we are not prepared to ask our people to tolerate new burdens.

[Question] Don't you think that such a new economic policy is almost impossible as long as the government is committed to foreign aid programs and to international U.S. establishments that dictate a specific method of economic development?

[Answer] This situation requires a political decision. If we officially talk about the independence of Egypt's decision and its freedom from tutelage, the most important way for this to be true is for us to solve the food problem both internally and on the Arab level. We cannot overcome the present predicament with slogans or through reliance on foreign institutions. Unless we take into consideration the fact that national security means that national economy should stand on a firm footing, Egypt's future and the future of its generations are in danger. The decision, as I said, is essentially a political one. If we are unable to do anything at present let us plan for the future. But there is a price for everything, and partial and temporary solutions are of no avail.

Egypt and the Arabs need a stable policy regardless of the political differences between them. The question of food imports and the drop in oil prices could place all the Arab countries at the mercy of the big powers, especially as the food weapon has become one of the effective weapons for political pressure. Why don't we, for example, plan an Arab food security project in which all the regimes would cooperate despite their political differences? The achievement of this project would be a great step on the road to liberating the Arab will.

Moreover, political cooperation in serious national issues is possible despite the differences over confronting the Zionist-U.S. imperialist danger. I believe that the Fes plan cannot be implemented nor the Reagan proposals carried out without a strong and cooperating Arab world rejecting capitulation. Israeli expansion can be deterred with a minimum of Arab coordination, for the total of arms possessed by the Arabs are no less in quantity and quality than those possessed by Israel.

With regard to foreign alliances, why should we in the international conflict be biased in favor of a party that naturally backs our principal enemy.

[Question] Are you calling for alignment with the Soviet Union?

[Answer] We do not want alignment with the Soviet Union. We want balanced relations with all the big powers. In its program the NPUG calls for the area to be free of all foreign military presence. We want genuine nonalignment because it is the road to an independent will.

[Question] Why did you not demand this during 'Abd an-Nasir's era?

[Answer] During 'Abd an-Nasir's era Egypt was under Israeli aggression that was backed by the United States. The military facilities that were given to the Soviet Union then were for the purpose of backing the Egyptian armed forces in defending Egypt until the preparations for the final battle were completed. But we never supported a Soviet presence on Egyptian territory because the defense of the area is the concern of its people.

[Question] But the other party now gives the same justifications with regard to the United States on the grounds that Egypt and the Arab countries are the target of a potential Soviet aggression that requires the presence of the United States.

[Answer] There is no Soviet aggression against the Arabs. It is not only I who says so but also the Kuwaiti foreign minister who says that there is no Soviet aggression against the Gulf region. I believe that there is no threat to Egypt and the Arab countries other than the Zionist threat. Everybody knows that if the Soviet Union tries to invade the area then a world war will break out. Politics are not such a simple thing. For this reason it is unacceptable that the United States impose its presence on us under the pretext of an imaginary Soviet danger.

[Question] What is your opinion of the Afghanistan case?

[Answer] Despite the fact that the Soviet forces entered Afghanistan at its government's request on the grounds that there was an external danger from the Pakistani borders, our party issued a statement rejecting Soviet interference and calling for the withdrawal of the Soviet forces. Our party also rejects the so-called training of rebels outside the borders and their sending into the country because if this principle becomes internationally acceptable, the world will turn into a jungle. But what is strange is that those who talk about Afghanistan with great enthusiasm do not talk with the same enthusiasm about what is happening to Muslims in Lebanon, Palestine, Assam and the Philippines.

CSO: 4500/175

BENEFITS FOR DISCHARGED SOLDIERS REPORTED

Cairo AL-JUMHURIYAH in Arabic 4 Mar 83 pp 1, 5

[Article by Jamal Kamal: "Soldiers Discharged From the Armed Forces Next April and July Will Get Five Dunums of Land and a House. Payment Will Be by Installments"]

[Text] Field Marshal Muhammad 'Abd al- Halim Abu Ghazalah, deputy prime minister and minister of defense and war-production has agreed to a program for extending ownership of agricultural land and housing to the retired military [personnel].

It has been decided to provide five dunums of land and a house to every soldier due to retire from the armed forces on 1 Apr and 1 July of this year. The area set aside for ownership is situated east of the Bitter Lakes and it is 22 km from Isma'iliyah. This land has been utilized agriculturally for three consecutive years. Retired army officers and technicians who are on payroll are entitled to receive 10 dunums.

Payment for the land will be by installments and will be spread over 20 years. One quarter of the cost of the land must be paid during the first two years, one half must be paid during the third and fourth years, three quarters must be paid during the fifth year and the rest of the installments will be spread equally over the next 15 years.

The law provides that payrolled officers applying for ownership of land should be those who were forced to retire because of their age or those who were released on medical grounds. But reserve officers who apply must have at least 10 years of continuous service and must no longer be on the reserve list.

Highly paid [high ranking] officers who have resigned from the military are entitled to apply for land ownership providing that their military record was excellent.

Deeds of land ownership are issued to payrolled officers by the department of personnel administration and social services. Applications will be accepted until the end of March of this year.

First priority of land ownership will be given to residents of the governorate where the land for sale is located, followed by residents of neighboring governates. The law provides that the beneficiary must reside on the land permanently and begin to utilize it agriculturally.

NATURE OF EMPLOYMENT PATTERNS REVIEWED BY GOVERNMENT STUDY

Cairo AL-'UMMAL in Arabic 7 Mar 83 p 4

Article: "The Private Sector Absorbs 66 Percent of the Manpower; Large Numbers of People Do Not Have Jobs"

Text The study which the Agency of Specialized National Councils performed on the breakdown of workers by economic sectors reveals that the private sector absorbs 66.4 percent of the total workforce, of whom 42.1 percent are illiterate, while people who have academic credentials come to 6.2 percent - most of those holding intermediate credentials.

The study pointed out that private sector occupations are concentrated in a limited number of activities - vending, food and hotel activities, textile and bread industry work, furniture sales, shoemaking and tailoring, meat cutting, and various building and construction activities.

The study revealed that the wages of private sector workers have increased severalfold.

The study confirmed that 69 percent of the people working in the public sector have no academic qualifications and that their work in companies is fundamentally based on the factor of experience, which has resulted in a drop in the level of the personnel in the public sector and a rise in the costs of production.

The study revealed that the population of working age increased by 2.7 percent a year in the sixties because of the growth in the number of people employed, and this led to a decline in the proportion of the number of people working to the population of working age.

The study confirmed a rise in the propensity to be educated on the part of the population of working age, which has resulted in the failure of people who are increasing in number each year to enter the labor market.

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CSO: 4504/253

INDUSTRY, BANKING PROBLEMS REPORTED

Cairo AL-JUMHURIYAH in Arabic 2 Mar 83 p 4

[Article by 'Abdallah Nassar and Hani Salih: "Heads of Industrial Companies Say National Investment Bank Violates Rules in Exercising Commercial Activities. Bank Says Economic Committees Dragging Their Feet. Bank Is Owed 323 Million Pounds in Backpayments ."]

[Text] At its next meeting, to be presided over by Dr Kamal Al-Janzuri, minister of planning, the board of directors of the national investment bank will study a report prepared by Dr Sa'ad Al-Manki, deputy president of the investment bank. The report deals with the problems of settling backpayments due the bank which arise from loans it made and their accrued interests. These loans, which amount to 323 million pounds, were granted to economic agencies over the last 30 months.

Recently, public sector's companies have increasingly been complaining about lack of liquidity, defects in the financing structure and increased interest-rate charged on loans granted them by the national investment bank.

Heads of the industrial companies say that the interest-rate charged on the loans they obtain from the investment bank is too high and that the bank has violated its governing rules, has turned into a commercial bank and has not contributed capital towards projects. The bank replies by saying that it is committed to applying state policy and that if it were requested to contribute capital towards projects, it would implement these requests immediately.

The facts show that there is a clear defect in the financing structures of the industrial companies whose overdrawn accounts have increased to 696 million pounds. The interest on loans granted them has reached 1.643 billion pounds. Furthermore, the increase in the purchasing price of foreign currencies has resulted in increasing their debt by 167 million pounds.

Eng Khalil Abu 'Alam, head of the Al-Nasr Casting Company says that the increase in the company's debt is due to its commitment in implementing the absolute decisions concerning wages and prices and that it is not the result of inefficiency, incompetence or negligence. Mr Abu 'Alam adds that the proposed project for the development of the public sector will not solve the problems of the financing companies, but it is merely a regulatory measure.

Abu 'Alam objects to the demands made on the national banks to participate in solving the industrial companies' debt. He says that this demand is unjust and that the banks will refuse to invest their funds (in companies) especially if they know before hand that the companies are losing and may continue to lose. Abu 'Alam states also that the national investment bank has deviated from its goals and from the laws on which it was established and has turned into a commercial bank which charges high interest on its loans.

Abu 'Alam asks this question: Why doesn't the investment bank contribute capital ranging between 40-60 percent to projects and grant low-interest loans on the remainder especially to those projects that the government cares about and is devoted to?

#### New Industrial Banks Required

'Adil 'Abd al-Karim, head of Al-Nasr Company for the manufacture of glass suggests that new industrial banks be established with the help of the profitable companies and those that have liquidity. It is possible that some government organizations or economic agencies may participate in the creation of such companies.

These industrial banks would specialize in financing industrial projects. 'Abd al-Karim also suggests the creation of contracting companies specializing in implementing industrial projects thus surmounting the delay now experienced in the implementation of such projects. Or, alternatively, it may be possible to assign industrial projects to sub-contractors which would lead to rising costs.

#### Subsidies Only at Consumer Distribution Outlets

Engineer 'Adil Al-Shahawi, head of the technical secretariat of the food industry at the ministry of industry, recommends giving freedom to the companies to work according to economic principles and he further recommends restricting subsidies only to distribution outlets.

Al-Shahawi agrees that banks should contribute capital to the companies but recommends that defects inherent in the financing structures be rectified. Here, another question is raised: Is it recommended that public sector agencies contribute capital even though participating companies owe them money? The question is raised because oil and soap companies (for example) owe money to the public sector agency in charge of commodities supplies.

#### Meeting the Problem of Overdrafts

Mahmud Abu Samra, head of the Egyptian company for the manufacture of starch and glucose, says that his company has overcome its overdraft problems by making improved changes and developing production techniques and manufacturing new products to satisfy consumer demands. He suggests that companies should create programs for replacement and modernization to meet the problem of accumulation of products in warehouses and he further suggests that they follow scientific methods in marketing and merchandizing.

## The Bank Replies

AL-JUMHURIYAH interviewed Dr Sa'ad Al-Hanafi, vice president of the board of directors of the national investment bank, to get the bank's viewpoint regarding the comments expressed by the heads of the industrial companies. He referred to article (3) of the special paragraph regarding the authority of the bank's board which agrees to participate in the various projects and contribute capital to the economic agencies and public sector's projects, and said that the bank is committed to applying state policy and that if it were requested to meet the demands of the industrial companies, it would be prepared to implement these demands immediately.

Dr Al-Hanafi also said that the complaints of the heads of companies about high interest-rate charged on the investment loans granted by the bank are unfounded because the bank does not get a return on these loans. And if however the bank did get a return on these loans, it would not be comparable to the high profits made by other banks, and in any case, the return it gets goes back to be spent on government projects in the form of loans granted to the companies.

### An Average Interest Rate Of Eight Percent

Dr Al-Hanafi made it clear that the average interest-rate charged by the bank is 8 percent and that the interest-rate it charges on its loans ranges between 7-10 percent. He emphasized that the bank grants a large volume of low interest-rate loans and the majority of these loans are interest-free granted to service projects and essential construction. He further said that the bank obtains its resources from the retirement fund which charges 6.5 percent interest-rate; from commercial banks which charge 13.5 percent interest-rate; from savings funds at 11 percent interest; and from the central bank also at 11 percent. The bank then balances all these funds with the varying interest-rate to offer loans at an average interest-rate of 8 percent.

Dr Hanafi further added that backpayments, in installments and interests, due the bank from the economic agencies, over the last 30 months, amount to 323 million pounds. This due either to the unavailability of liquid assets or to the inefficiency of their financial structures which only allows them to utilize these funds in covering their needs without paying back their dues to the bank. Dr Hanafi further said that he will submit a report to the bank's board of directors at its next meeting, to settle the problem of backpayments due the bank in loan installments and interest accrued thereon.

He suggests in the report that the ministry of finance should bear the responsibility of these installments and their interests or authorize the bank to have these backpayments deducted from the agencies' deposited surplus with the central bank.

### Compensations Not Applied

Dr Hanafi made it clear that the ministry of finance has resorted during the period 1974-80 to the principle of compensation in its effort to get back what it was owed. The bank however did not [effectively] apply these methods which

explains why the bank has such huge outstanding dues with the agencies. The following example will serve as an illustration: The railroad authority directs investments worth 90 million pounds and the amount owed the banks by this agency total 32 million pounds in installments and interests. The bank monitors the implementation of investments that are approved so as to push economic development forward while making sure that there is no unnecessary spending, however nothing is done concerning compensation.

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BACKGROUND, RESULTS OF ENGINEERS' UNION ELECTION REVIEWED

Various Candidates Interviewed

Cairo AL-SHA'B in Arabic 1 Mar 83 p 9

Article by Mamduh al-Wali

Text The time has approached, and only three days remain until the date for the Engineers' Union elections, which are to be held next Friday, to select a new union head. The campaign is now underway among five candidates, Eng 'Uthman Ahmad 'Uthman, the current union head, Dr Mustafa al-Hinawi, the former minister of housing, Eng Muhammad Isma'il al-Suyufi, the chairman of the al-Qattarah Depression project, Dr 'Abd-al-Muhsin Hammudah, counsellor in the oil sector, and Eng 'Abd-al-Qadir Zaki Hudayb, the chief of the transportation sector in the al-Nil General Transportation Company.

A number of questions are circulating in the union and among various groups of engineers, including ones concerning the views of the candidates for the position of union head regarding conditions in the union during the previous session which Eng 'Uthman Ahmad 'Uthman headed, their position on the union's investment companies, their views on the concentration of union services in the capital, the view on the branch unions' complaints of being neglected, and notions on remedying the gap between the union and engineers, which has resulted in the fact that most engineers have not been enthusiastic about the elections and that the link between some of them and the union has been severed following their graduation and registration in the union.

AL-SHA'B brought these and other questions to the candidates. What did they say about them?

Everyone except Eng 'Uthman Ahmad 'Uthman, the current head of the union, spoke; all attempts made to meet with him ended in failure, and we do not know the reasons why he believed he should not state his point of view in full on these matters for the sake of the mass of the engineers and their union.

At the outset we had a meeting with Dr Mustafa al-Hinawi, who described the reasons for his candidacy, stating:

"There are goals behind the existence of the Engineers' Union, and these concern looking after the engineers, especially the young people. As a great engineering

grouping, the union must play the role of consultant to the government on national projects, and for 4 years there has been an electoral platform which has not been carried out in any way. The sole achievement has been the investment companies. I am not against investment, but would like everyone to get his due in terms of specialization and expertise. I, as head of the Engineers' Union, am supposed to be engaged in work as an engineer; that is my field, and the basis of my job is to create job opportunities for new engineers.

"Then do we have the right to throw the union's funds around on commercial projects that might make a profit or a loss, as was the case with the Meat and Poultry Company, which went totally bankrupt?

"The union ought to have taken part in the study of such national projects as al-Salihiyah and the underground metro; if the people had heard the union's view on these projects, it would have saved them the trouble of worry and chaos, since the union is a nationwide grouping and its opinions will set the people's minds at rest."

Question Is it relevant that Dr al-Hifnawi, a former minister of housing is running against Eng 'Uthman, also a former minister of housing?

Answer To be frank, out of my concern with engineering, and the level of execution and the level of job completion that engineering has reached, in which the current union has played a large part in this period, I am sorry to say that there has been a decline in many standards in the execution of engineering projects. I had imagined that because of his expertise as a contractor, or as the paramount figure among contractors, he would have done something. I cannot state that his qualifications and expertise as a contractor actually qualified him to be a housing minister. He is indeed a contractor; inside himself, he may be a successful contractor, but a successful housing minister, no; I do not believe that he was a success as a minister of housing.

Question What are the justifications for this view?

Answer You know that he spent 3 years as minister of redevelopment and housing minister; what did he do in that period? Unfortunately, the problem became aggravated. He came before us on television and said "Give me 2 years and you will find apartments for rent everywhere." They gave him 3 years and nothing happened.

After the Redevelopment law, which gave him great flexibility, was issued, prices started to rise, and these activities were carried out on a cost basis, in the reconstruction of the cities of the canal; this basis is exorbitantly expensive and competence and actual performance do not play a part in it.

Question What is your opinion on the branch unions' complaint about the fact that services are concentrated in Cairo?

Answer The regional headquarters do not adopt an attitude of adequate flexibility. They try to go on trips to the pilgrimage or the like, but cannot find headquarters for themselves, which represents an administrative deficiency. Places are supposed to be allotted to the provinces. As far as the question of

registration, and the fact that that is concentrated in Cairo, goes, we must think about providing subsidies for headquarters instead of leaving them abandoned.

There is a deficiency in the union head's dealings. The process of maintaining rapport with the base is supposed not to require individual decrees; the people's assemblies are supposed to meet once every 2 weeks, and the union head is supposed to meet once a month to discuss all the engineers' affairs.

#### The Union's Mission Is Not Political

Question What is your opinion on the recommendation of the union branches' general assembly that there be no dealings with Israel?

Answer As far as we, as engineers, are concerned, I do not imagine that we should not deal with them, and not deal with the engineering system, until the Palestinian problem is resolved; the task of the Engineers' Union should not become a political one. Otherwise, it will devote itself entirely to politics. Engineers, in general, are engaged in daily work, but some of them are engaged in political affairs.

Question Do you agree that the funds of the union's companies should be diverted to housing? Do you agree that council members should be on the boards of directors of the companies?

Answer I am not saying that such a diversion should be made, but the matter should be studied, and we should start with a project of 1,000 housing units, for example, and then repeat that, provided that the union's funds are contributed to more than one area.

As for having members of the union council go on the boards of directors of companies, that is a corruption of union activity and is not followed anywhere in the world. Trade union activity must be volunteer work.

#### A Meeting with Eng Isma'il al-Suyufi

In a meeting with Eng Isma'il al-Suyufi, he stated the reasons for his candidacy and concretely expressed these as his dissatisfaction with the current policy of the union head and board. The Engineers' Union, which has 130,000 members, was in the vanguard of professional unions in raising national issues without receiving instructions from the ruling party of the opposition, and we have passed through a period of stagnation and impotence in recent years in the voice of the union and its council, to the point where we have seen that some important national issues are discussed in other vocational unions although they are technical and engineering in nature in the first place.

He also said, "The union's tendency, in the term of the current union head, has been toward investment and the construction of companies in a manner which assumes the form of gambling with the union's funds. Although it is stated that they have yielded a return that, in the budget for the years 1980 and 1981, did not exceed 3 and 7 percent, and consequently a loss has occurred which would not

have been the case if they had been put into secure investments, such as investment bonds, which yield 12 percent and are assured. There is also the statement made about Tawfiq 'Abd-al-Hayy's taking 2.5 million pounds of the Engineers' Bank's money."

With regard to pensions, he stated, "Although the pension fund's revenues come to 9.5 million pounds, they must be increased. In the Ministry of Housing, housing societies were formed bearing the name of the union, which collected money from members, years have gone, but nothing has been achieved. To the contrary, the people who are participating are being asked to double their payments. The wages of engineers are now in fifth, sixth or seventh place.

Question What do you consider the proper method for investing the union's funds?

Answer I consider that pension money should be invested in housing projects and that services such as hospitals and sports clubs should be provided for engineers in exchange for revenues. That will provide services for the engineers and will guarantee the pension fund an income.

Question What is your opinion on the assignment of engineers whom we consider civil and construction engineers to perform national service?

Answer I find it unfortunate that the question of national service has been raised and has caused a turmoil in some universities, while the union has failed to give a statement or an opinion. The union must contribute to all legislation that concerns engineers and whose effects are reflected on them.

In addition, female engineers are improperly dealt with, in terms of discrimination in employment and work. They are a productive force whose help must be sought.

The branch unions need greater attention and their buildings must be completed, and there must be a gradual transfer of the services now concentrated in Cairo to branch unions in the provinces.

Question The general assembly of the union branches has decided to boycott Israeli bodies; what is your opinion about that?

Answer After we saw the massacres that took place in Lebanon, I believe that no Egyptian who feels his own Egyptianness and Arabhood would ever agree to deal with Israel, as long as it continues to roam about at will. I was crestfallen when I learned that the Engineers' Insurance Company was the only one to agree to insure the Israeli embassy, after other companies had refused to do so.

A Meeting with Eng 'Abd-al-Qadir Hudayb

In a meeting with Eng 'Abd-al-Qadir Hudayb, we asked "What is your opinion about the previous term?"

Answer The fact is that Eng 'Uthman has served the country in obvious projects such as the High Dam, but in union activity I do not believe that he has been a

success. In 4 years, although he was very close to the president, he has done nothing tangible. For example, the prime minister signed an allowance for meetings but in spite of that it was not carried out. The Engineers' Bank gives loans at the same interest rates as other banks, so what then is its value for the engineers? Why shouldn't it be turned into an Islamic bank, just giving engineers loans at administrative rates of interest only? The Islamic Bank is also dealing in speculation and is also earning very small pensions.

Question Do you imagine that the union should be concerned with a political role?

Answer I do not support the idea that the union should have a political role. The union is a professional one; it defends the interest of the members of the profession and looks after them. That should not keep engineers from having political opinions, but I do not believe that it is appropriate for the podium of the union to be a political one. If I want to be political, I can turn to the People's Assembly, the parties or the press.

Question What is your opinion on the general assembly's resolution prohibiting dealings with Israel bodies?

Answer I do not encourage that resolution. The dominant trend in the country is to have such dealings, and I am not afraid of the Israelis in terms of science or culture; our people constitute a deep-rooted culture and civilization. In cooperating with them we can learn about their objectives, so that we can learn about our new ally and old enemy. We must follow along with the government's course; everyone is free to have a political opinion on his own, but he should not spread it about in the union. I may want to visit Israel, while you may not.

Question Do you have an opinion on the performance of national service by engineers?

Answer I do not reject the idea, but I consider that we should set the national service period at just 3 years, in exchange for which we will exempt the conscript from being drafted in the army. In addition, engineers should have the right to defer their national service until age 30; that would be beneficial for the government, because the person performing the service would be coming to it after he had acquired expertise, as opposed to performing it right after graduation.

#### A Meeting with Eng 'Abd-al-Muhsin Hammudah

We met with Dr 'Abd-al-Muhsin Hammudah, counsellor in the petroleum sector, and asked him his opinion about the previous term in the Engineers' Union. He said that the eight members of the council were deriving personal benefit from being members or chairmen of the boards of engineering companies in which the engineers' money was being invested. Thus membership in the union board had led to personal enrichment and benefit at the expense of the engineers and their pensions.

Question It is said that you are always making an avocation of elections!

Answer I am not a person who makes an avocation of elections for their own sake, but I am using my union rights in hopes of achieving reform. I can say that my

entry into the elections, especially the past two sessions, has impelled the government to control the union and repress the democratic current which was engendered around me by means of the government candidate.

Question What is new in your program?

Answer Amending the law on the union, compelling the union to solve the housing shortage for young engineers, setting out a special personnel system for government and public sector engineers, reorganizing national service for people who want to perform it, increasing pensions to 80 pounds, making the places of employment pay registration fees and dues, supporting the engineers' struggle through the people's struggle for true freedom, and putting a freeze on the current activities of the union companies until the general assembly determines their fate.

#### 'Uthman Wins Union Election

Cairo AKHBAR AL-YAWM in Arabic 5 Mar 83 p 1

Text The preliminary results of the Engineers' Union elections indicated that Eng 'Uthman Ahmad 'Uthman has won the position of head of the Engineers' Union. The vote counting process was still going on by the time the newspaper was being prepared for printing. The preliminary results showed that Eng 'Uthman Ahmad 'Uthman had obtained 7,146 of the total of 9,163 votes counted in the general union in Cairo and some governorates.

It is expected that the final results will be announced today.

The general assembly of the Engineers' Union held its meeting yesterday in the presence of more than 3,000 votes, and the voting continued until 1700 hours in the evening. After that, the vote counting processes began. The general assembly, in its meeting, decided to raise retirement pensions to 45 pounds, pensions of families of deceased engineers to 60 pounds, health disability pensions to 100 pounds, funeral expenses to 250 pounds, and sickness and wedding expenses to 400 pounds.

The assembly also agreed not to give agreement to the reinstatement of national service for engineers.

#### Course of Elections Described

Cairo AKHBAR AL-YAWM in Arabic 5 Mar 83 p 4

Article by Mahmud Salim

Text The Engineers' Union elections took place in a calm manner yesterday.

The contest started at 0800 hours yesterday morning. The general assembly held a meeting, but the quorum, which is one quarter the number of members, or about 30,000 of the total number, which comes to about 127,000 engineers, was not met.

Therefore the convening of the assembly was postponed until 1000 hours, in accordance with the law. Three hundred members were supposed to appear, and in fact more than 3,000 did appear, and the general assembly thereby then constituted a legal quorum.

In 21 branch unions in the various regions, the elections to choose the union head for the upcoming session began.

Five people ran for the position of union head: Eng 'Uthman Ahmad 'Uthman, the current union head, Eng 'Abd-al-Muhsin Hammudah, Dr Mustafa al-Hifnawi, Eng 'Abd-al-Qadir Hudayb and Eng Isma'il al-Suyufi.

Dr Fu'ad al-Shahid, professor in the Faculty of Petroleum at the University of the Suez Canal, withdrew his candidacy.

In another area, there was, in addition to the position of union head, a race for the 11 membership positions supplementing the seven branches in the union.

The general assembly held its meeting. Eng 'Uthman Ahmad 'Uthman, in his capacity as the current union head, chaired that.

Outside the unions, there was a "carnival," with signs, banners and many people passing about handbills.

The meeting was held inside the main meeting hall of the union, formerly the Ramsis Movie Theater.

Ahmad Mazin, the secretary general of the union, spoke, reviewing the agenda. The resolutions were unanimously adopted by applause or the raising of hands by members.

The most important resolutions were:

#### Increases in Pensions

An increase in retirement pensions from 35 to 45 pounds.

A raise in pensions for families of deceased engineers from 50 to 60 pounds.

An increase in health disability pensions from 75 to 100 pounds.

An increase in funeral expenses from 250 to 350 pounds.

An increase in sickness and marriage assistance from 300 to 400 pounds.

In addition, the general assembly decided to open the elections to all engineers, both those who had and those who had not paid their dues. The procedure that had been followed was that only persons who had paid their dues would be allowed to vote, on the basis of invitation cards which often did not arrive in the mails.

The members' applause was intense when it was proposed that national service for engineers be eliminated, and it was decided that the adoption of the measures that would require would be left to the union board.

There was a great deal of discussion of this issue, and there were numerous opinions.

The civil, mechanical and architectural engineering branches considered it fit not to agree to the restoration of national service for engineers.

The view of the mining and textile engineering branches was that in the event agreement was given to that, it should be for a limited period, which could not be renewed, a period of a year or two, in the case of engineers who wanted to perform national service on condition that a special staff be applied to that.

The mechanical, civil and chemical engineering branches also requested that a special staff for engineers be set up, and the civil engineering branch recommended that the allowance for the full time employment of engineers be at a level of 75 percent of base salary.

After these resolutions, the speeches began. The first person to speak was Eng 'Uthman Ahmad 'Uthman. His discussion was calm. In the course of it, he reviewed the union's achievements in the previous period in the areas of investment projects, pensions, health insurance and housing. He said that emphasis would be placed on young people, young engineers, and that that meant not sacrificing the young generation for the sake of the older engineers, while conversely the older ones would not be sacrificed for the sake of the younger ones. The old men of today were the young men of the past, and the young people of today were the old men of the future.

Eng 'Uthman Ahmad 'Uthman talked about young people in response to questions which he had been asked whose gist was "What have you done for the young engineers?"

He added that it had been decided to establish a fund for loans for engineers who had been inducted into national service. These would be financed with 250,000 pounds from the union's retirement fund, and the pension committee would set out rules regulating the disbursement of loans from the fund.

He stated that cooperative societies would be formed to obtain land at token prices and that technical and occupational labor would be subsidized by training so that lower, appropriate costs would be obtained, and the effort would be made to encourage quantitative production to obtain low prices, while unfinished housing would be established which the engineers would finish and expand in accordance with their requirements and financial capabilities.

Eng 'Uthman Ahmad 'Uthman said, "If I am not elected, I will cooperate with the candidates who is."

After that calm statement, which was interrupted by applause on numerous occasions, the speaker was Eng 'Abd-al-Muhsin Hammudah, but his statement was more than heated. He said, "I am not the enemy of any of the candidates, as has been said, although I have been their 'adversary.' I am addressing myself to the young people. There is a great program which I will seek to carry out, and if that does not take place I will offer my resignation!"

His statement lasted only about a quarter of an hour, while Eng 'Uthman Ahmad 'Uthman's had lasted about 45 minutes.

After that, the general assembly adjourned, and the members went to the ballot boxes. The voting went on until 1700 hours in the evening. Directly after that, the counting of votes began in the general union in Cairo and the 21 branch unions in the provinces.

It is expected that the results will be "officially" announced this morning.

#### Election Results Declared

Cairo AL-AKHBAR in Arabic 6 Mar 83 p 6

Text Yesterday the final results of the Engineers' Union elections were announced. Eng 'Uthman Ahmad 'Uthman won the position of union chief, getting 12,449 votes, while his opponents received, respectively, 960 votes (Dr Mustafa al-Hifnawi), 855 votes (Dr 'Abd-al-Muhsin Hammudah), 476 votes (Muhammad Isma'il al-Suyufi), and 37 votes ('Abd-al-Qadir Zaki Hudayb).

At the branch level, the following won membership in the union: In the Civil Branch, Eng Salah al-Hariq, who got 11,951 votes, and Faruq Mustafa al-Zarqa, who got 11,466 votes; in the Architecture Branch, Mahmud Fahim 'Abd-al-'Aziz got 10,141 votes and Muhammad 'Abdallah 'Isa got 10,085 votes; and in the Mechanical Engineering Branch, Ahmad Fayiz Sha'ban got 9,760 votes and Ahmad Sami Jadd Qandil got 8,907 votes.

In the Electrical Engineering Branch, Zakariya Zaki 'Uthman got 10,640 votes and Muhammad Hasan Ahmad al-Khatib got 7,745.

In the Chemical and Nuclear Engineering Branch, 'Adil Shalash won, getting 10,710 votes, and Muhammad Ahmad 'Abd-al-Karim got 9,132 votes, winning the position of chairman of the mining and Petroleum Branch. Zaynab 'Afifi won membership in the union board for the Textile Engineering Branch, getting 8,775 votes.

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JEWISH COMMUNITY RENTS OUT CEMETERY PROPERTY IN CAIRO AREA

Cairo AL-AHRAR in Arabic 7 Mar 83 p 3

Article by Hisham Tantawi: "The Jewish Community in Egypt Claims Ownership of al-Ma'adi Lands and Conducts Sales and Lease Transactions Regarding Them!"

Text The community of al-Qarra'in Israelis in Cairo is offering 180 feddans of land for construction purposes in the New al-Ma'adi area and is selling and leasing it by the square meter. So far the community has managed to sell and lease out more than 50 parcels ranging from 1,000 to 2,000 square meters in area each. The community has placed signs on the land asserting that it is "Land of the al-Qarra'in Israeli community, which is dealing through the agent Jum'ah Bayyumi 'Ali."

The land is full of graves, some of which have been destroyed and others of which are in the process of being eliminated by people who have bought or leased out the land so that they can put residences or factories on it.

The agent Jum'ah Bayyumi is a well known man in al-Ma'adi. I asked about him and more than one person volunteered to direct me to his dwelling. The dwelling consists of a wooden shed on al-Nasr Street in New al-Ma'adi.

The Agent of the Community

The agent Jum'ah told me, "If you want a parcel of land, you have to meet with Kamal Bey Labib, who is the agent of the community in Egypt and has the power of attorney to sell or lease out land."

I met Kamal Bey Labib with the agent Jum'ah. I claimed that I wanted to buy a plot of land on which to construct a tile workshop. Kamal Bey greeted me and assured me that he was the general agent for Jewish property in Egypt and that he had been assigned by the people in the community to deal in the land.

He said that the remaining parcels of land were now being offered for lease, not for sale.

What were the conditions?

Kamal Bey said,

"The rental per meter is 4 pounds per year, payable in advance, and the period of the lease is 5 years."

"What happens after the 5 years?"

"We will review our business with you. Either the land is abandoned and the lease agreement, which the community alone has the right to abrogate, is abrogated, we reassess the rental on the basis of the value that the community considers appropriate, or we agree that you can buy the parcel of land from the community."

I asked him, "Why are the Jews destroying the graves of their forefathers in Egypt and selling or leasing out their open space?"

He said, "They are not destroying them, but are just renting them out; after 5 years, which is the lease period, they may get their graves back."

"How much space can I rent out?"

"Any amount. However, do not forget that the greatest elevation that is permitted according to the law is 8 meters."

"What law?"

"Egyptian law."

"When can the contract be written up?"

"Tomorrow, in the community's headquarters." He gave me the address.

Before the Court

The next day I went to the Jewish temple in al-'Abbasiyah, which was the community's headquarters. In the rabbinical chamber, a Jewish lady was seated, and next to her was Mr Elie Yusuf Mas'ud, a lawyer. Overhead was a picture of the late president Anwar al-Sadat, and two other Jews were sitting with them, along with Kamal Labib, the agent for the community's activities, and a group of buyers and lessees. Elie Mas'ud was concluding sales or lease contracts for them.

In the temple, I heard the story of the al-Ma'adi Housing and Redevelopment Company, and other things, from the community, along with a description of the way in which the company had taken over a plot of land belonging to the Israeli community and the company claimed that it owned the land, with the result that the league then went to court. The dispute is still pending.

#### The Introduction of Utilities

I learned that buyers or lessees obtain contracts from the community which are signed by Elie Mas'ud, the Jewish lawyer; then letters are written from the community to the Department of Electricity and Water to bring utilities onto the land. The procedures for building and obtaining permits are dependent on the efforts of the buyer or lessee and his cleverness in dealing with the Engineering Department in the al-Ma'adi section!

### The Story behind the Land

In the al-Ma'adi residential area, I asked Eng 'Umar Ibrahim Muhammad Ahmad, director general of the region, what the story behind this land was.

He said, "Before the Camp David initiative, some violations had been committed by citizens against the lands lying in the Jewish cemeteries. People put some huts over graves. This matter did not attract people's attention, especially since there was a housing shortage. Then, following the peace initiative, President al-Sadat sent a letter to the officials, which was then turned over to us, which he himself had signed personally, stating that it was necessary to study this problem, especially since the Jews were demanding that their graves be kept inviolate. The housing area in al-Ma'adi immediately studied the matter, and discovered the following:

"The Jews say that they own 180 feddans in New al-Ma'adi by virtue of orders from a time long past that they could establish their graves on that land. Nonetheless, up to now only an area of 50 feddans in their cemeteries has been occupied.

"They assigned Abu Burayq and Abu Jihan nomads to guard their graves. The offspring of the grave guards exploited the fact that the cemeteries had come into their physical custody, especially after the dispute between the Arabs and the Jews broke out, and they took some of the areas over and established some installations on them.

"The Property Ownership Department failed to remove these installations, because of the large numbers of people who were situated on that Jewish land, and a letter on that subject actually was sent to the office of the president.

### Documents of Ownership

I asked him, "What is the date of the Jewish record that you said was from a time long past?"

The director general of housing said, "I do not know the date, but the Jewish record was sent with President al-Sadat's letter and it was written in English. We returned it to President al-Sadat along with our reply to his letter."

I asked him, "Is it permissible for this land to be sold or leased out now by the Jews?"

He said, "Of course not, because it has been set aside for cemeteries."

I asked him, "The Jews are now renting this land out to some citizens. They issue letters to tenants that are approved by Elie Mas'ud, the Egyptian Jewish lawyer, stamped with the seal of the community and sent to the Department of Electricity and Water, stating that the community has given its agreement to the introduction of electricity and water into the leased land. Is that permissible?"

The housing director replied, "That is out of the question and not permissible. I do not have the authority to issue any permits to establish any facilities on the Jews' graves, and consequently one cannot bring electricity or water onto them."

### A Judiciary Conflict

I met with the director of the al-Ma'adi Property Department, Eng 'Ali 'Umar.

He said, "This land belongs to the government and was actually set aside as graves for Jews. From the legal standpoint, it cannot be leased out, but, if the Jews have relinquished it for any reason, it must revert to government ownership. The Property Department is supposed to act to prevent any use of this land except for cemeteries."

The al-Ma'adi Company has another conflict with the Jew Elie Mas'ud, who claims that he obtained a republican decree from the late president Anwar al-Sadat regarding the ownership of the land, along with the cemeteries that are on it, and that that decree was issued before the peace initiative! The conflict is still in the courts.

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CSO: 4504/252

NEW PROJECTS FOR IRON PRODUCTION REPORTED

Cairo AL-AHRAM AL-IQTISADI in Arabic No 737, 28 Feb 83 p 4

[Article: "Three New Projects for Production of Construction Steel"]

[Text] The Agency for Investments has agreed to the establishment of three factories for the production of construction steel. Two of these factories will be built in al-Sadat City and third will be built in the city of Al-'Amiryyah in Alexandria.

The following decrees pertain to production and financial cost for each factory separately:

(A) The first factory, which will become operational at the end of 1983, will specialize in manufacturing light steel products. Production is expected to reach 27,000 tons annually which is worth about 9.83 million pounds. It is estimated that this factory will cost 6.57 million pounds in investments. The Industrial Development Bank will contribute 3.4 million pounds in foreign and local currencies at 15 percent annual interest. It is estimated that three years after recovering construction costs that this factory will yield 2.37 million pounds annually to the national revenue. In addition the factory will employ about 211 Egyptian workers.

(B) The second factory will produce two different kinds of steel: 24,000 tons of light steel annually and 16,000 tons of construction steel annually. The total value of steel produced by this factory is estimated at 13.218 million pounds annually.

The Industrial Development Bank will extend a long-term loan of 2.9 million pounds towards this project to cover the investment cost of the project which totals 7.550 million pounds.

It is expected that this factory will yield a net revenue profit of nearly 20 percent and add about 4.0 million pounds annually to the national revenue.

(C) The third factory will be built in 'Amiryyah City at an investment cost of 20.4 million pounds. The factory will produce 120,000 tons of construction steel annually which is valued at 42.0 million pounds. The Industrial Development Bank will extend a long-term loan of 5.4 million pounds towards this project. Other banks will also contribute towards this project.

The Agency for Investments asked that the project managers import the equipment that is necessary for production from abroad in order to prevent pressure from building up on locally produced items which are needed in the production of reinforced iron.

This project is characterized by the fact that all production phases in this factory will be mechanized as well as the fact that the number of workers needed would be small: only 124 individuals.

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EGYPT

BRIEFS

NEW ATTORNEY LAW AMENDMENTS--The second meeting held by the hearing committee under the chairmanship of Counsellor Ahmad Musa, which was formed by the Constitutional and Legislative Affairs Committee to discuss the draft of the new Law on Attorneys which the lawyers in the People's Assembly had presented, has recessed, and each member is to present his view in writing. Attending this meeting were the former and temporary heads of the Lawyers' Union, the members of the union's general council, the deans of the faculties of law and the heads and members of branch unions. People's opinions centered on amending a number of points contained in the existing draft, among them a review of the formation of the union council in terms of numerical representation, especially as regards the lawyers of Cairo, where the largest number of lawyers are located; equalization of the status of the Cairo court of appeals and the other courts; the demand that the union head be elected on a nationwide basis; the equalization of the period of tenure of the branch union councils, which is 2 years, with the tenure of the general union council (4 years); a refusal to discriminate between people working in the government cases departments and the lawyers working in the public sector and the authorities; and the grant of permission for the head of the union and members of the council to be elected to more than two sessions. [Text] Cairo AL-SIYASI in Arabic 27 Feb 83 p 17 11887

UPPER EGYPT ELECTRIC CONSUMPTION--Eng Mahir Abazah, the minister of electricity and power, has declared that governorates in the southern part of Upper Egypt have started to consume electricity received from governorates in Lower Egypt and Cairo, whereas Cairo and Lower Egypt formerly consumed electricity from Upper Egypt. This is the result of a greater than 15 percent annual increase in consumption in Upper Egypt. He said, "The emergency room in the Ministry of Electricity is holding constant meetings over a 24-hour period to provide electric power and cope with problems that may arise in generating plants, grids or transformer stations throughout the republic." He made this announcement during his meeting with the members of the parliamentary group from the Governorate of Qina and the members of the People's Assembly for the governorate, which was attended by Eng 'Abd-al-Hamid al-Sayyad, the chairman of the Egypt Electricity Authority, Eng Zahir Farid, the chairman of the Rural Electrification Authority, and Eng Anwar 'Azzuz, a delegate of Management to the Southern Upper Egypt Electricity Distribution Company, and was held to discuss the problems of electricity and the needs of the governorates in southern upper Egypt in terms of the support needed in serving the electricity sector. [Text] Cairo AL-AKHBAR in Arabic 6 Mar 83 p 67 11887

MILITARY MAINTENANCE--Dowty Fuel Systems (Great-Britain) has signed a large contract with AOI [Arab Organization for Industrialization] for the reconditioning of TV-2 engines used on the Egyptian Air Force Mi-8 helicopters. Work under the contract has already begun. [Text] [Paris AFRIQUE DEFENSE No 60, Mar 83 p 9] 9294

SAUDI-EGYPTIAN INVESTMENT COMPANY ESTABLISHED--An Egyptian and eight Saudis have established an investment company under the name of "The Egyptian-Saudi Investment Company." It will utilize its funds in all fields and will operate for 25 years. The company will manage its activities from Number 10 Husayn Wasif Street, Maydan Al-Saha, Al-Duggi which is in the governorate of Al-Jizah. The company's capital was fixed at 1.5 million Egyptian pounds representing shares, each worth 100 Egyptian pounds. 900,000 Egyptian pounds worth of shares must be purchased in foreign currency. Mahmud 'Ali al-Basit, the Egyptian partner, contributed 600,000 Egyptian pounds of the investment company's capital. On the Saudi side, Shaykh Badr al-Din Ahmed 'Ashur contributed 225,000 pounds of the company's capital in the form of foreign currency and Shaykh Saraj Ahmed Hamami contributed an equal amount. 75,000 pounds was also provided by each of the following: Marwan Badr al-Din Ahmed 'Ashur, Radidah Badr al-Din Ahmed 'Ashur, Raidah Badr al-Din Ahmed 'Ashur, Dahid Saraj Ahmed Hamami, Nabil Saraj Ahmed Hamami and Hisham Saraj Ahmed Hamami. The board of directors includes Shaykh Badr al-Din Ahmed 'Ashur as president of the company and Mahmud 'Ali 'Abd al-Basit and Eng Marwan Badr al-Din Ahmed, as members. Mahmoud Abu Al-Saud was appointed controller of the company's financial activities. [Text] [Cairo AL-JUMHURIYAH in Arabic 2 Mar 83 p 4] 9999

CAPITAL OF AFRICAN-ARAB BANK TO INCREASE--At its meeting in Cairo yesterday, with Ibrahim Al-Ibrahimi presiding as chairman, the general assembly of the African-Arab bank agreed to increase the bank's capital from \$125 million to \$200 million. The bank's budget and assets thus increased from \$3.6 billion to \$4.4 billion. The assembly agreed to distribute 15.6 million dollars in profits. The bank acquired 99 percent of this profit abroad despite the fact that its headquarters is in Egypt. It is known that the Egyptian government's share of this profit is \$6.5 million. Five other Arab governments contribute to the African-Arab bank; they are: Kuwait, Iraq, Qatar, Jordan and Algeria. Increasing the bank's capital under the present circumstances, is considered [a sign of] support and development of the economic relations between Egypt and these countries and as further evidence of these Arab countries' confidence in the Egyptian economy. The African-Arab bank has become the largest capital holder among all the operating banks in Egypt. [Text] [Cairo AL-JUMHURIYAH in Arabic 27 Feb 83 p 1] 9999

CSO: 4504/231

LIBYA

BRIEFS

MILITARY PURCHASES--AIR ET COSMOS, No 943, announced the sale of 25 training Xingu by Embraer (Brazil). The Air Force Hercules C-130 No 115 is being overhauled by Aeronavali in Venise-Tessara (Italy): the landing-gear door does not work properly. [Text] [Paris AFRIQUE DEFENSE in French No 60, Mar 83 p 8] 9294

CSO: 4519/177

MOROCCO

DOMESTIC POLITICAL CONDITIONS ASSESSED

Tunis DEMOCRATIE in French No 109, Mar 83 pp 27-29

[Article by M.M.: "The Moroccan Paradox"]

[Text] Ten political parties or so, a pluralistic parliament and a press that reflects all political leanings. Morocco appears to have all the attributes of a democracy. As well as the practices--arrests, disappearances, political trials, etc.--of a totalitarian regime.

The "tenants" of the imposing building on Mohamed-V avenue, the main street of Rabat, opposite Cafe Balima, one of the busiest in the capital, will soon vacate the premises. The Parliament is now holding the last session of the legislature that started in 1977. The deputies had been elected for four years, but in 1981, when their term in office was about to expire, it was extended for another two years. They must now face the electorate again, in principle early next summer. But the exact dates of the legislative election and of the municipal elections that will precede them still remain uncertain. First, the results of the census which was taken late last year will have to be published.<sup>1</sup> Then, the unresolved political situation that resulted from the June 1981 riots is another obstacle--and a considerable one--to the organization of such elections. The electorate cannot be called to the polls as long as the USFP (Socialist Union of Popular Forces) is not in a position to take part in the elections. But Maitre Abderrahim Bouabid's formation--without which no election could have any meaning or any credibility since it became the main opposition formation when the Istiqlal party joined the government--is now far from being in a position to campaign for its theories. Decimated by the severe repression exerted since June 1981, the USFP has also been deprived of its press since that date. Its two dailies--AL MUHARRIR in Arabic and LIBERATION in French--have been suspended. A stabilization of the political situation--at the initiative of King Hassan II--should therefore logically take place before the elections to enable the USFP to reorganize itself and hold a congress so it would be in a position to campaign for the forthcoming elections.

Yet, the new parliamentary experiment started in 1977, which led to the present political impasse, had generated hopes for a democratic Morocco endowed with smoothly-operating institutions and enjoying at last the stability it had been lacking since it gained independence in 1956. But these hopes soon

→ vanished when, as Morocco was about to join the democratic zone, the country experienced one of the largest political trials in its history, that of the frontists.<sup>2</sup>

In spite of these first false notes, however, changes for the better have taken place during this legislature. First, in 1977, preliminary censure on newspapers was abolished.<sup>3</sup> Then, in May 1979, Morocco ratified two international charters on economic, social and cultural rights, and on civic and political rights. One month later, the creation of the Moroccan Human Rights Association [AMDH] was authorized. True, the AMDH still has to overcome considerable obstacles (see our interview with Mr Ali Oumlil, AMDH president), but the very fact that it exists marks a progress, as it is almost without precedent in the Arab world. Finally, in August 1979, the government authorized the return of some exiles. A list of 20 names was published by the Moroccan Press Agency, MAP. However, forcing the hand of the authorities--which did not react--exiles whose names were not on the list took the risk of coming back. The first to tread upon Moroccan soil were former leaders of the USFP and the Liberation Army. They were followed by leaders of the extreme-left movement "23 March." From 1979 to 1982, scores of exiles came back to Morocco. Since their return, however, they have been far from happy. Harassment of all kind, in particular frequent summons to the police station, have been the daily fare of [former] exiles.

#### The Dress Does Not Make the Democrat

In spite of the democratic dress which now adorns the Moroccan regime, there have been many human rights violations in the past six years. These rights, it is true, have never been held in great esteem. Far less so since the June 1981 riots. Moroccan courts have never worked as intensively as during the months following the riots. Of the 2,000 people who were arrested at the time, half received sentences of 3 months to 3 years, and sometimes heavy fines. Yet, even before the June 1981 disaster, Morocco had always been on Amnesty International's hit-parade of countries which show little or no respect for human rights. The last investigation mission of Amnesty International that went to Morocco, in February 1981, wrote a report with alarming conclusions. The report gives a list of the various types of human rights violations found by the investigation mission. Above all, the mission mentioned violations of the criminal code procedure, in particular of Article 139 which provides that officials who must arrest a person should give to that person a copy of the warrant--something they never do. In addition, families are never informed of arrests, but are left to find about them for themselves. Police custody, which in principle is restricted to a few hours and up to a few days, lasts for months, sometimes years. Certain prisoners are not released after serving their sentence. This is the case of 15 officers who were sentenced at the trials following the attempts against King Hassan II in August 1971 and July 1972.

Yet, even when they are released, the tribulations of political prisoners do not end. They keep being harassed, like the prisoner who was released last September, after serving a five-year sentence, and was preceded home by... a summons to appear at the local police station.

It is common for former political prisoners to find that they are prevented from circulating freely. Especially when major international conferences are being held--for instance the second Arab summit in Fes--they are prohibited from travelling to certain towns. After his release, a political prisoner will find it impossible or difficult to find a job. He remains deprived of his civic and political rights. A writer and leftist militant, who prefers to remain anonymous, does not consider himself free, although he was released from jail two years ago after serving an eight-year sentence. He claims his freedom is "a second-class freedom." He complains bitterly: "I am like a wild animal taken out of its cage to be released in a national park." Abdelatif Laabi, a writer and poet whose reputation crossed his country's borders a long time ago, was released in 1980 from the Kenitra jail where he had spent seven years of his life. Although he was granted a free pardon and amnesty a few months before the end of his sentence, A. Laabi, who had been teaching in a Rabat high school, has not yet been given back his job and has been unable to obtain a passport. Many of his works--such as "Le regne de barbarie" [The Reign of Barbary]--which have met with great success abroad are forbidden in his country.

The main victim of aggravated repression has been the USFP. The regime took it as a target, especially after it started expressing its opposition to the referendum of 23 and 30 May 1980, which amended Article 43 of the Constitution and made it possible to extend from 4 to 6 years the term in office of deputies. When he attacked Maitre Abderrahim Bouabid's formation, the king broke the tacit "peaceful coexistence" agreement between himself and the main opposition formation. Attacks against the USFP could have threatened the stability of the regime. This stability, it is true, is essentially based on the army's loyalty to the king. Periods of instability in Moroccan history occurred precisely at times--July 1971 and August 1972--when the army had withdrawn its support of the monarchy. All the same, the regime also owes part of its stability to the moderation of the USFP.

#### A Historical Compromise

Until 1972, relations between the opposition and the king were marked by open hostility. Feeling increasingly threatened by the army, especially after the failed attempt against the royal Boeing on 16 August 1972, the king started making overtures to political parties. On 23 September 1972, he sent handwritten letters to leaders of the major formations. A new type of relations was then inaugurated between the two parties and they were given an opportunity to materialize at the beginning of the West Sahara crisis. The opposition, which took part in the diplomatic offensive launched by the king, was to be as firm as the king himself in supporting the theory that West Sahara is "Moroccan." As a domestic counterpart for this cooperation between the king and the opposition in matters of foreign policy, the two parties adopted more flexible positions. In 1974, the king promised to organize new elections; they could not take place until 1977. The opposition, for which until then publication of a general amnesty and the return of exiles had been prerequisites to its adopting a constructive attitude toward the monarchy, now saw these as objectives that should be reached in stages.

The USFP, which is party to this "historical compromise," then renounced what had been one of its major "dogmas": changing society by force. This change was sanctioned at the extraordinary congress held in 1975, when the USFP stressed its conviction that "democracy is not only a means, but also an end."

The break-up between the USFP and the king happened when, after the June 1977 legislative elections, Maitre Abderrahim Bouabid left the government--which he and other opposition leaders had joined four months earlier to supervise the elections--to protest against irregularities in these elections. Skirmishes got more numerous until the June 1981 riots, after which the regime started an open war against USFP. Since then, King Hassan II's attitude toward Mr A. Bouabid's party has appeared ambiguous. For instance, whereas many USFP militants were arrested during the riots, the leadership was spared.

Yet, Maitre Abderrahim Bouabid and four other party leaders were arrested and tried in September of that year and released<sup>4</sup> six months later. One month after its leaders had been released, the USFP and its union, the CDT (Democratic Labor Confederation) were invited to attend a "national symposium on economic expansion" organized at the king's initiative. Their premises, which had been closed since June 1981 were then reopened. However, early in the summer of 1982, Mr Mohamed Yazghi, press director at USFP, was prevented from travelling to Madrid, where he had planned to attend a meeting of the International Press Institute. His passport was confiscated. The two USFP newspapers, which were suspended in June 1981, are still suspended. Mr Yazghi was informed by word of mouth of the decision of suspension. Since then, policemen have been constantly standing guard in front of the offices of LIBERATION and AL-MUHARRIR in Casablanca, preventing employees from entering.

In spite of these multiple blows to the USFP, Maitre Abderrahim Bouabid's attitude toward the regime has remained moderate and serene. His position within his party is far from being an easy one. The first secretary is challenged by a USFP fringe headed by Maitre Abderrahman Ben Amor, who claims that Maitre Bouabid's attitude toward the regime is overly conciliatory. Certain party sections in Rabat and Casablanca have broken away.

The first secretary of the USFP cannot forever arch its back at the repression of which his party is the victim. To do so would be playing into the hands of his opponents within the USFP, especially if he fails to obtain certain concessions from the regime. Right now, it is urgent for Maitre A. Bouabid to see the suspension of the party newspapers lifted and to obtain the release of Mr Mustapha Kerchaoui, editor-in-chief of the daily AL MUHARRIR, and of the CDT leaders, all of whom were imprisoned without a trial close to two years ago.<sup>5</sup>

FOOTNOTES

1. In an interview with the weekly AL WATAN AL ARABI (No 310, 21-26 January 1983), Maitre Abderrahim Bouabid gave to understand that elections might be postponed, since "... Their date cannot be set before the results of the population census have been published, as these will make it possible to determine the number of voters, based on the country's demographic growth during the past 20 years..."
2. The trial of 178 militants claiming to adhere to Marxism-Leninism and belonging essentially to three movements--"Ila Al Amam" (Forward), "23 March" (referring to the 1965 riots in Casablanca) and "Moutakat-tiloun" (The Rallied)--took place in January 1977, in Casablanca... The "178" were charged, in particular, with trying to create a "People's Revolutionary Front."
3. Amnesty International: Moroccan Mission Report. Amnesty International's French-language publications.
4. Maitre Bouabid was arrested and sentenced to one year in prison for criticizing the conditions approved by the king for the organization of a referendum in the West Saharan provinces, which was to play a part in a possible settlement of the crisis.
5. In his interview with AL WATAN AL ARABI, Maitre Bouabid stated he had received assurances from the king in this respect during their meeting of 12 January 1983.

9294  
CSO: 4519/177

FORMER INFORMATION MINISTER ASSESSES PRESS

Khartoum AL-SAHAFAH in Arabic 19 Feb 83 p 3

[Article by Dr Isma'il al-Hajj Musa: "Come Let Us Open This Dossier: Our Press, Its Pros and Its Cons; Freedom of Press Between Fear of Responsibility and Tendencies for Objectivity; Watchdog Role Between Official's Sensitivity and Citizen's Wrath; Conflict Between Criticizing the Government and Helping Society; Concept of Regulating Press Ownership, Duties and Rights"]

[Text] The press, a ruling authority, cannot perform its role while carrying the censer of praise for the bright stars [preaching high ethics] without an objective followup on the negative aspects, the obstacles and the shortcomings.

Interest in the statements made by ministers does not negate the need to exert efforts to find out the background behind the statements. Moreover, a minister who does the planning should not be the only hero in whose shadow the efforts of those working in the various sites are lost.

Failure to underline the masses' accomplishments and being content with focusing the lights on the leadership's initiatives is an injustice perpetrated against both the leadership and the base simultaneously.

The surprising comparison between what is written about Sudan abroad--and it seems more thorough and profound--and what is written at home must go beyond the stage of astonishment to bringing [those responsible for the disparity in what is written] to account.

This is a little of the long censure which the brother leader president voiced at his meeting with the Sudanese Journalists General Assembly at the Socialist Union headquarters on 17 April 1976. At the time, the brother president wanted the meeting to be a meeting for censure and not for bringing anyone to account. The brother president voiced this censure to underline, or rather diagnose, the actual situation of the press activity--a situation which pleased nobody at the time. Efforts had to be made in order that the press may overcome that situation and occupy its right place as an embodiment of the people's conscience, as an indicator of their hopes and aspirations and as a mirror reflecting their accomplishments and a mouthpiece speaking on their behalf.

At that meeting also--and in the course of instruction and assertion--the brother president defined some prominent features of the desired press [which he envisions], of its desired role and of the message it aspires for. He asserted that some, though not most, of these features were absent from our press, adding in this respect:

The press in today's Sudan must be a podium for courageous opinion and original thought and advanced culture, in addition to its role of informing with news and comment.

Under the canopy of the news democracy, the press must feel the pulse of the people and the tempo of their movement while exercising its responsibility as a participant in the authority--the legislative authority, the executive authority or the authority of political action.

Under the canopy of the new democracy, the press must reaffirm its abidance by the people by acting as a mirror reflecting their aspirations at a time when it is another power added to the people's powers of bringing to account and of watchdog, considering that it is one of the tributaries of popular control.

Under the canopy of the comprehensive development, the press has the duty of followup, rather the duty of bringing to account. This is because a big accomplishment cannot be perfect and free of mistakes and there can be no progress without false steps.

Under the canopy of the national unity, the press is not required to preach this unity with clamor and cheers. Rather, the press is responsible for bolstering this unity with the linkage it realizes between the various parts of the greater homeland.

Seven years have passed since the brother president voiced this censure and since he put his finger on the causes of the ailment.

Seven years have passed since the brother president offered this advice, carefully pointing out some aspects of the cure.

Has the press situation changed greatly and has the press moved in the desired direction in these seven years? Has it moved closer to the people and has it participated more strongly in the authority in terms of control, criticism and guidance? Have the journalist's abilities improved and have the resources and capabilities of the paper and of the publishing house grown?

A lot of whispers and more clamor are engulfing the press issue at a time when we are approaching an economically, politically and culturally important phase and while we are about to turn a new page abounding with concerns, interests, problems, accomplishments, sacrifices and challenges.

This is why we have decided, without timidity or sensitivity and with objectivity and concern, to deal once more with the Sudanese press dossier and to turn its pages deliberately and calmly so that we may present to the

[Socialist Union] National Congress a number of views and opinions that may enable it to help and assist our press and to open the horizons of creativity, development and success for the eyes and the feet.

With these lines, I am doing no more, as I have already pointed out, than arranging the chairs and issuing an invitation so that we may sit around the dialogue table and discuss ideas that may light the way and lead our steps. A lot of what I am saying does not perhaps contain much that is very new. This in itself is an indication of the crisis. Why are we repeating and reiterating and coming with nothing new and why do we continue to seed and plant and reap no fruits.

Tens of question marks will continue to dance before our minds:

Why haven't the commercial sections of the press establishments--AL SAHAFAH and AL-AYYAM--prospered by the required degree so far, even though printing has become in these days a profitable industry and a business that is in demand, as indicated by many examples in the private sector?

Why hasn't the experiment of the literary or cultural weekly or monthly magazine succeeded so far so that these establishments may turn into real publishing houses that are not content with publishing just one daily but that abound with various kinds of publications?

Why haven't they succeeded adequately in attracting a large number of the many capable pens that can enrich and add to the intellectual course of the national procession?

How can the press overcome the sensitivity of the official and the wrath of the citizen so that it may escape from a situation where it is very much like a man jumping out of the frying pan into the fire?

In 1976, it was decided to amend the press and publication law so that the ownership of the papers may be transferred from the executive authority--the Ministry of Information--to the political organization--the Socialist Union--in order that they may become the Union's arm and channel of followup, control and criticism.

What are the dimensions and concept of this press ownership from the viewpoint of the political organization insofar as the rights and the duties, the connections and the relations are concerned?

Have the papers been able to relieve the organization of some of its duties in the control process and some of its responsibility in the criticism process?

Despite the vast technological process achieved in radio and television information in the second half of the 20th century--a progress which has truly made this age the age of mass communication--this progress has not contrary to the expectations of many, come at the expense of the press.

In its efforts and race to achieve progress, the radio and television information has not trampled over the body of the printed word, damaging its organs and crushing its bones. If a little or a lot of damage has been caused in this regard, then the victims have been the magazines, not the newspapers, and the lengthy and profound reading vessels, not the daily press.

This is why the printed word has continued to have its importance, even in Sudan where the illiteracy rate is high. The press continues to address an important sector with the awareness, the education, the critical mind and the (pure) conscience. It is a sector that influences to a large degree the course of events in a third world country with a brittle educational structure and a sensitive cultural structure.

Even though the phrase "newspaper talk" has spread among us to indicate--at times--the untruthfulness of what is said, we continue to believe in the printed word and in its importance and significance and we rely on its truthfulness and weight. We hear the same news over and over from radio and television and then wake up early in the morning to read the news again. We go to a sports stadium to see a soccer match from the first kick and until the referee's whistle ends the game and then race the next morning to grab the newspapers and read a description of the game from A to Z.

In view of these proofs and others, the issue of the daily press continues to be an important issue.

In numerous nearby countries, the press has been able to develop both in content and form and to attract the reader and enrich society even though the "general arena" in which this press moves is much narrower than the arena in which our press moves and even though our political climate generally is purer and cleaner.

Carrying out its task at all levels, even the political level, our press proceeds without any instruction other than its own commitment. The revolution has been eager to entrust the responsibility of directing, to commitment alone, without any censorship from outside and without any instruction other than the vigilance of the press editors. We have no executive or political official who reviews, classifies and decides what is to be published and what is not. We have no censor from outside the press establishments lurking with his pen or his scissors ready to cut into the newspaper pages before they reach the printing press.

I recall that when I was minister of information I invited the brother chief editors of AL-SAHAFAH, AL-AYYAM, AL-QUWWAT AL-MUSALLAHAH, as well as those from radio, Television, and SUDANOW to a meeting with the brother president of the republic. The purpose of the meeting was to give the president of the republic the opportunity to familiarize the information leaders with the details of the internal and external policy so that they may be put in the picture and be aware of the dimensions of the events and the positions from the government's angle and may put this familiarization to use in managing their press responsibilities and in carrying out their

task of reporting the news and analyzing and commenting on it. Because I felt the meeting was successful and beneficial to the brother journalists, I entreated the brother president at its conclusion to make it a monthly meeting and he replied: "I am prepared to fulfill this wish on one condition, namely that whatever observations or advice I express at these meetings are not taken as orders or instructions. I want the press to be free, without anybody dominating it and without its being afraid of anybody so that it may act upon the dictates of its committed conscience."

Therefore, when we speak of the press and its role, we realize, as the brother president realized while voicing his censure and his encouragement and as our masses, with their sensibility which has been generated by their struggle and their sacrifices while forging ahead to build patiently and hopefully--we realize that:

--A regime that has no tolerance will not survive, rise or fight in a boiling, tempestuous and tremulous world.

--An official who gets annoyed with criticism is not qualified to shoulder the responsibility or fit to carry the trust in a revolutionary regime.

--A society that fears what is right, is apprehensive of the truth and gets annoyed with reason is a brittle and weak society that cannot remain cohesive and advance on the narrow trails of a difficult and complex age.

--Nobody in the public service arena is above accountability, control and guidance. No citizen is bigger than the homeland and nobody has the keys to the absolute truth.

--Falsehood is nothing but a sand citadel and a palace of froth which collapses even if people remain silent on it.

--Those who create the joyous celebrations, build prosperity, sacrifice and sweat are not only the leaders but also the many soldiers who include workers, farmers, civil servants and others. These people, before others, shoulder the responsibility of lighting one candle and another and another in the darkness.

--A press that becomes a part of a ceremonial procession led by drums and trumpets is no more than a drum in an orchestra of flattery and hypocrisy. Such a press is detrimental and not beneficial, it destroys rather than build, it spreads sickness rather than heal and it generates hatred and gloating rather than be content with consent, the truth, joy and optimism.

Out of our awareness of all of this, I expect our common understanding of the transfer of the press ownership to the masses via the political organization to mean, briefly, the following:

That the press will be an organ speaking in the name of the people and a vein pulsing with the right of the masses and that in its total movement, the press will express the people's will and aspirations, will be a clear and true

mirror reflecting their real situation and a rich book preserving their effort and displaying their struggle and that it will be a searchlight focused on the negative features, gaps, obstacles and shortcomings to sound the alarm as it focuses on the positive accomplishments and bright spots, thus opening the gates of hope. This understanding also means that the press will be an eye looking for the citizens' initiatives at the level of the bases and of the broad masses and an arena in which opinions and ideas are discussed courageously, frankly and objectively and without vituperation, baseness, exaggeration or excesses.

This means that:

The officials and the citizens must abandon their excessive sensitivity to the printed word so that the journalists may not hear every morning and with the appearance of every edition that this is untrue, this is improper, this is misplaced, this is untimely, this is too much, this is too little and so forth.

The journalist must abandon his bias and conceit and must stop believing that his pen is a sword which he can hang over people's heads menacing and threatening to sever and topple. His pen must not be a thorn in society's side and his word must not be a contract serving selfish ends and used to make personal gains, all through excessive criticism.

The antagonization attempts by some public service officials, the threats of litigation by some private sector officials and the accusations of bias and favoritism by some individuals and groups must stop so that they may not spread a climate of intellectual and psychological terror that prevents the journalist from performing his task and takes away his enthusiasm.

The press criticism must always be founded on facts and evidences, based on supports and proofs and far from bias and whims. Else, what it writes will no longer be criticism but rather a farce and not a followup and a bringing to account but rather an offense and a transgression.

The press must not view public affairs with the eye of approval alone because it is incapable of seeing any fault, and not with the eye of anger alone because it can see nothing but the shortcomings.

People, both "big" and "small," must accept criticism that is free of bias, that is healthy and that is not arrogant and must respond to it as long as it is selfless and seeks to serve God, the citizen and the country.

But before all this, rather for all this:

The Socialist Union must define precisely and in detail the meaning of its ownership of the press establishments, their rights and their duties toward it so that it may fulfill its obligations--and they are many--toward these establishments, especially in the sphere of material, human and financial resources, equipment, training and so forth, and so that it may demand that they perform their duties in bolstering its procession through enlightenment, mobilization, information and education.

The doors of the officials must be opened to the press and the journalists so that they may get the information and the facts and may, in their turn, convey them to the citizen in order that he may rest reassured and turn his efforts toward what is more beneficial to the people and the country.

This is only a part of what we deem necessary for and from the press and it is a part of our understanding of our rights and duties. If we want the truth, our press is lagging way behind in both form and content. The responsibility for this backwardness is shared jointly by the official, the citizen and the journalist and by the political organization, the executive agency and the press establishments. These lines are no more than an invitation for contributing with opinions and proposals out of commitment, concern and loyalty.

God, let us not be among those who talk just for the sake of talking, thus unwittingly swaying from our path. God let us be among those who "believe in God and in the hereafter, who prevent vice and promote virtue and who hasten to good deeds."

God is always true.

8494  
CSO: 4504/241

TUNISIA

FOREIGN MINISTER CAID ESSEBSI INTERVIEWED

PM101955 Tunis L'ACTION in French 5 Apr 83 pp 12, 13

[Interview with Tunisian Foreign Minister Beji Caid Essebi by Nefissa ben Said--date and place not given]

[Excerpts] Question: Minister, the recent Tunisian-Algerian talks brought about a positive development in the situation.

Can you assess this for us?

Answer: The Tunisian-Algerian talks took place in an atmosphere characterized by calm, frankness, confidence, and a real political will to make progress.

I think that our relations with our Algerian brothers have been stamped with a new dynamism.

I do not think any "disturbance" can halt their course.

Question: What does the great Arab Maghreb mean to you?

Answer: For the men of my generation the great Arab Maghreb is an act of faith, a credo.

The national liberation struggle has a Maghreb dimension from the start.

Is there any need to recall the Arab Maghreb liberation bureau founded in Cairo after World War II by the political parties of the three Maghreb countries and within which President Bourguiba played a decisive role?

As soon as Tunisia gained independence the first Maghreb conference was held in Tangiers in 1958 to lay the foundations of the great Maghreb. I mention these two historical facts to stress our constant attachment to the idea of the great Arab Maghreb.

The process of building the great Maghreb is obviously a long task. The Arab Maghreb peoples are firmly attached to it because it is a permanent aspect of their immediate and future history.

Various obstacles have arisen over the past 20 years which hindered the process and we are now on the right road and it is to be hoped that the train will soon be on the track.

Question: Should the great Maghreb include Libya or not?

Answer: Following the Tangiers conference--a crucial date for building the Maghreb--Libya was jointly invited by the three parties to join the common enterprise.

Although Libya showed some reservations at that time it subsequently became a full member of the Maghreb consultative committee.

However since 1970 Tripoli has suspended its participation in that body's work, preferring to explore another course. In our view Libya is a full part of the Maghreb. Its Maghreb destiny is written in our common history and in our common future.

Question: What was the result of the New Delhi [nonaligned] summit in practical and clear terms?

Answer: The results should not be assessed in the abstract, in other words without taking into account the international situation and the constraints it implies.

Nonetheless, without indulging in self-satisfaction, the results are positive and encouraging.

First, at a political level and with regard to the Palestinian question the summit adopted the Fes Arab peace plan and stated that "This plan, by taking as its basis international law and the principles of fairness and justice, is one of the foundations for establishing a just and lasting peace in the Near East."

With regard to southern Africa the summit reaffirmed "the Namibian people's inalienable rights to self-determination and national independence in a united Namibia including Walvis Bay and the Penguin Islands and the other islands off its coast."

With regard to Afghanistan the nonaligned countries reiterated their call for a political settlement based on the withdrawal of foreign troops and full respect for Afghanistan's independence, sovereignty, territorial integrity and nonaligned status, and strict observation of the principle of nonintervention and noninterference.

In addition there was a debate on the Kampuchean question at the end of which that country's seat in the movement remained vacant; most delegations having expressed their concern at the worrying situation which prevails in that country, the summit stated that there is an urgent need to find a comprehensive political solution which makes provision for the withdrawal of all

foreign forces and guarantees respect for Kampuchea's sovereignty, independence and territorial integrity.

Obviously other problems were discussed by that summit, especially that of disarmament and coexistence and survival in the nuclear age, the problem of denuclearized zones in the Indian Ocean and so forth....

At the economic level, without going into detail, it is worth noting a more practical approach to the problems, hence a twin-track process. First immediate negotiations to tackle the most urgent problems: development aid, food, the debt problem, protectionism and the stabilization of raw material prices.

Second, reviving global negotiations to tackle the world economy's structural problems.

Finally, there was a new initiative by the New Delhi summit: the convening of a world conference on the monetary and financial aspects of development.

CSO: 4500/174

4TH CORPS COMMANDER INTERVIEWED AT BATTLEFRONT

London AL-DUSTUR in Arabic No 274, 21 Feb 83 pp 16-17

[Interview with Staff Maj Gen Hisham Sabah al-Fakhri, commander of the Iraqi 4th Corps, in the al-Shayb area of the front, by 'Abd al-Wahhab al-Qaysi: "If We Added Together All of the [Square] Kilometers Which the Iranians, According to Their Reports, Have Occupied, Then Even Europe Would Already Be a Colony of Iran!"; date of interview not specified]

[Text] At a front-line position on the front in the al-(Shayb) area, AL-DUSTUR met with the commander of the 4th Corps, Staff Maj Gen Hisham Sabah al-(Fakhri), and the following is the text of the interview held with him:

[Question] What is the size of the force with which the Iranians are attacking?

[Answer] It is difficult to judge the size of this force. However, initial information confirms that they have thrown in an armored division with several brigades in formations, in addition to volunteers and the Khomeyni Guard. [Revolutionary Guards].

[Question] How do you account for the fact that you are here with us now while a heated battle is going on only a few kilometers away from here?

[Answer] This is a reassuring indication that the situation is in hand--although I have not slept for 48 hours. Nevertheless, I sense a tremendous strength and a vitality which is the vitality of our rightful cause, because we are the ones who are in the right and because the Iranians want to soil the dignity of this nation and the dignity of all Arabs.

[Question] Radio Tehran claims that they have penetrated the border. What do you say about this?

[Answer] This has not happened at all. Only two hours ago I was in the area between al-Fukah and al-Shayb, which is considered to be the international border. A small number of troops did manage to break through this area up to a distance of 100 meters, but then they were either annihilated or taken prisoner. If we added together all of the [square] kilometers which the Iranians,

according to their reports, have occupied, then even Europe would already be a colony of Iran. They are forever lying. They say, for example, that they have destroyed 150 tanks and killed 1,000 of our soldiers. If their reports were true, then the Iraqi Army would have been destroyed during the last two years. Then who is it that is fighting them now? The principal strength of any army is something which is obvious and well-known. Three months ago the Iranians announced that they had occupied the territory which you are standing on right now.

[Question] What is your estimate of the number of Iranian troops in the area?

[Answer] Iran has mobilized everybody that it is able to. One prisoner told us that they went to their schools, forced school pupils to go into the army, gave them training for 11 days, and then sent them to the front. The prisoner said that anybody who refused to do this would be severely punished!!

Our information about the number of irregular formations is that they constitute up to six divisions. The difference between their regular army and the Revolutionary Guard is that the troops in the regular army wear helmets.

[Question] It has been noticed that the Iranians attack at night. Is this a special Iranian strategy or tactic?

[Answer] I believe that they are trying to intimidate the Iraqis, thinking that if they do this they will perhaps achieve some measure of victory that if they do this they will perhaps achieve some measure of victory over Iraq. They hate people, they hate plant life, and they hate themselves. Our conflict with them is a conflict of two civilizations, and blind hatred will remain the thing that motivates them to achieve their goal. Islam is something which was spread under the banners of the Arabs and which was defended by their swords. Not even a lunatic can deny this fact.

They utilize the approach of merging [different types of units]. They have large numbers of volunteers, they have regular divisions such as the 16th Division and the 21st Division, they have divisions of volunteers and independent brigades, and they also have commando brigades.

[Question] One radio station has said that they is a unit made up of Sudanese, and Tehran has said that a whole company of Sudanese was taken prisoner. What is your response to this?

[Answer] The Iranians lie and they call the Arabs mercenaries. The Arabs are not mercenaries because they are defending the Arabs and they are defending the eastern gate of the Arab world. But what do the Iranians call some Syrians and Libyans who are siding with them?

Are they not mercenaries because they are supporting non-Arabs against their own Arab brothers?

[Question] Are there Syrian and Libyan soldiers in Khomeyni's army?

[Answer] They have declared their support for Iran ever since the war first began. We hear some Syrian and Libyan voices among those that we hear over our radios. This confirms the fact that they are in the ranks of the Iranian forces. The agreement concluded between Iran and Syria stipulates that, every week, 1,000 Syrian tourists travel to Iran. I believe that they are volunteers from Hafiz al-Assad's sectarian group.

[Question] What is the role of Arab solidarity in the war which has been imposed on Iraq?

[Answer] History is written by those who are strong. We are defending the eastern gate of the Arab world and we have volunteers from all parts of the Arab world. By the way, I challenge the Iranians to say, if they can, where these Sudanese are whom they have taken prisoner. I assure you that the Sudanese are our Arab brothers who have volunteered to come to the defense of the eastern gate of the Arab world. We have lost four of them who have been killed. Let me say in conclusion that Iran does have numerical superiority, but the Iranians are not led well. I believe that this great number of troops is not something which is important as long as they are not led well. The method of using human wave assaults is a method [the effectiveness of] which has been exaggerated. In the battle at Badr the Prophet Muhammad fought with a small force of only 300 soldiers, whereas the Quraysh soldiers opposing him numbered 1,000, but Muhammad still defeated them. "So many small armies have defeated so many large armies when God was on their side."

9468  
CSO: 4404/270

BAGHDAD PERSIAN DENOUNCES IRAN FOR OIL SLICK

NC091150 Baghdad Radio in Persian to Iran 0600 GMT 9 Apr 83

[Unattributed commentary]

[Summary from poor reception] Since its inception the Tehran regime has been propagating terrorism, creating terror and rolling the Middle East in blood. The most recent of its provocative acts which has caused concern among all the Arab Gulf littoral states is the pollution of the Gulf waters. One can fathom the depth of the disaster if one understands the extent of the irreparable damage done to the Gulf's natural resources. In addition to the destruction of billions of fish and other useful amphibians, the Gulf's rich prawn resources will also be destroyed. Ecologists have said that it will take more than 200 years to overcome the recent damage.

Water is a more expensive commodity than oil in many Gulf states. Kuwait buys potable water from France and Italy. The irresponsible officials of the Islamic Republic, who cannot continue their wretched rule unless blood and terror reign, have announced that they will be able to harness the damaged well in a matter of a few days. U.S. experts have calculated that it will take \$250 million and at least a month to repair the damage.

"Under these conditions and because of its sense of responsibility, the Iraqi Government has proposed that a ceasefire be established in the region so that by using the opportunity Khomeyni's republic can harness the oil well and save the region from sea water pollution. Iraq made this decision for the sake of preserving the environment and preventing further damage to Iran's coasts and to the Arab Gulf. However, since the Tehran government is not a responsible government, this goodwill gesture was rejected." By so doing it showed the extent of its irresponsibility. Once again Khomeyni's government has shown the world yet another aspect of its warmongering nature. Khomeyni and his coterie have shown their anti-Islamic and irresponsible nature. They have shown that they are prepared to play with the lives of humans and of useful animals, with natural wealth and resources for the sake of preserving their rank and position." They have shown that they are prepared to see the region plunged into centuries of calamity for the sake of continuing their arbitrary rule. This is the clear, decisive and revealing answer which the arbitrary, irresponsible and puppet Tehran regime is giving to human society in the two

last decades of the 20th century. By so doing it is removing any trace of doubt about the sinister and inhumane nature of the Tehran regime.

"The extent of the calamity which is expanding at every moment in the gulf is not only limited to the individual and national interests of the Iranians and to the rule of the theocrat. This calamity is not even limited to the present generation of the Gulf littoral nations. This is a large and irreparable calamity which the mullahs and sheyiks have inflicted on tens of generations, on all of human society, on history and on nature--this masterpiece of God's creation."

The health and oil ministers of eight Gulf littoral states were sent to Kuwait to discuss and to adopt decisions on the calamity which the irresponsibility of the executionery Khomeyni has imposed on the region. But all these meetings and all these decisions will be useful and in the interest of the region when they have a responsible regime in front of them. These decisions will be useful when one is dealing with a regime which knows and believes that the health of human beings, the preservation of the environment and the respect for international norms should form the basis and be the principles governing the talks." However, during the past 4 years the illiterate sheyiks ruling Tehran have shown that all they care about is the prolongation of their rule and they have done nothing but commit crimes. "How can one now be hopeful that this regime will accept the views of such meetings for the sake of preserving the environment and the well-being of the people in the region?"

When Khomeyni came to power and immediately started trampling on freedom, and sparked off the flame of war, we said and repeated that the rule of lunatics and maniacs is not limited to Iran's borders and to the respected Iranian people. We said that Khomeyni had come with a mission to destroy Islam, to weaken mankind and to plunge the region into darkness. We called on the world for decisive steps. However, all our gestures of goodwill were ignored. The war, the murders, the high costs, the plundering, plots and terrorism continued to the extent that even today the sea life in the region is being sacrificed for the sake of the wretched objectives of these criminals.

"The only path that can lead to the Iranian people's salvation, the only path that can lead to the salvation of the region's Muslim people and the only way in which respect can be achieved for the canonical principles of Islam, for humans and for international principles and norms is for all the countries of the world to punish Khomeyni and his anti-Islamic and inhuman Islamic republic. The act of overthrowing the regime will be carried out by the Iranian people on their own."

CSO: 4400/279

IRANIAN OPPOSITION CITED ON IRAQI POW DEATHS

JN080838 Baghdad INA in Arabic 0710 GMT 8 Apr 83

[Text] Paris, 8 Apr (INA)--It was confirmed here today that the Iranian regime has recently committed two new massacres against the Iraqi prisoners of war. The Iranian opposition Mojahedin-e Khalq organization announced that it possesses irrefutable proofs and documents affirming that the Khomeyni guards opened fire on a group of Iraqi POW's.

A statement the organization issued last night said that on the 5th of last month the Khomeyni guards opened fire on Iraqi POW's who were protesting the bad treatment their guards were giving them. It added that 20 POW's were killed and more than 50 others were wounded. It disclosed the names of 10 martyrs, including Muhammad Khalaf Husayn, Nazim 'Abd an-Nabi Hamid, Salman Fadl al-Khamis, Karim 'Ubayd, Kazim Salah ad-Din Hasan, 'Abd az-Zuhrah, 'Ali Husayn, Muhammad Qasim, Ahmad Khalid 'Askar, and 'Ujayl Yahya 'Umran.

Mojahedin-e Khalq said that a list of the wounded Iraqi POW's will be sent to the United Nations and the International Red Cross in an attempt to expose the Iranian regime's practices which violate international values and norms. It added that the wounded are currently being treated in the military hospitals No 501 and 505 as well as in (Khanek Qadi) Hospital in Tehran.

It emphasized that the Khomeyni guards carried out a similar massacre in an Iraqi POW camp in (Bujan) in northeastern Iran on the 13th of last month, killing more than 10 POW's and wounding more than 20 others. The organization indicated that the wounded are currently in (Shari-atayn) and (Lashkar) Hospitals in Mashad, adding that their condition is causing concern.

CSO: 4400/279

ZIONIST FEDERATION TO SUBMIT MASTER SETTLEMENT PLAN

TA092040 Jerusalem Domestic Television Service in Hebrew 1930 GMT 9 Apr 83

[Text] The Zionist Federation Settlement Department will soon submit a new master plan for settlement in Judaea, Samaria and the Jordan Rift Valley. The plan includes a great deal of data about plans carried out to date and recommendations for future implementation as well as assessments about the state of Jewish settlement in Judaea and Samaria in the year 2010. Our correspondent on settlement affairs Rami Gubernick reports the initial details about the new plan.

[Gubernick--live] The new master plan is the third and constitutes a follow-up to the 100,000-plan prepared at the time by the head of the Zionist Federation Settlement Department, Matityahu Drobles. The new plan includes old components and new assessments about the picture in Judaea, Samaria and the Jordan Rift Valley in 1986 and until the year 2010.

The plan proposes establishing 23 new settlements and 15 military pre-settlements in Judaea and Samaria, some of which are already being established. It is proposed to expand the rural settlements and the military pre-settlements whenever the latter are civilianized. By the year 1986, the plan envisages the settlement of 120,000 Jews in Judaea, Samaria and the Jordan Rift Valley. The plan rules that emphasis should be placed on settling the mountain slopes east of the Gilbo'a range down to the western slopes of the Hebron Mount, namely, from Janin to Hebron along the road running on the mountain ridge.

Urban settlements such as Ari'el, Elqana, Elon More, Gedumim and others should be expanded to include 80,000 Jews. Until 1986, the State of Israel will invest some 100 billion Israeli shekels, 60 percent of them being the government's share. The plan estimates that the government will have to also invest another 36 billion shekels by 1986. [figures and dates in the two previous sentences are as heard] The lion's share of the investment will be in highly-demanded areas such as the southern part of the Hebron Mount and the mountain ridge by creating sources of employment and by expanding existing settlements.

State-owned land has so far been located for 900,000 Jews and there is no problem in finding land in Judaea and Samaria, it is stated in the plan.

From 1986 until 2010, the plan proposes that another 20 large settlements be established. According to forecasts, by the year 2010, there will be 165 settlements with 1.2 million Jews in Judaea, Samaria and the Jordan Rift Valley, equal to the number of Arab inhabitants.

This master plan is currently in its last stages of preparation and it will be submitted to the government with the Agriculture Ministry's approval.

CSO: 4400/285

BEGIN SEEN AS DEPRESSED, WITHDRAWN

TA100920 Tel Aviv HA'ARETZ in Hebrew 10 Apr 83 p 7

[Commentary by Dan Margalit: "In the Absence of Begin"]

[Text] The emotion depicted in the photos of the ceremony at the presidential residence in which decorations were awarded to outstanding soldiers does not belong to the latter but to Prime Minister Menahem Begin. The eye saw what the mind could not fathom: Begin sat in front of 11 of the most courageous fighters in the peace for Galilee operation yet he was detached, removed and silent; he seemed not to belong to the occasion. When has such a thing happened to him in the past? And in a military ceremony? And in front of heroes? At an occasion when he would usually deliver a fiery speech about the Hasmonaeans and Bar-Kokhva and their offspring? However, Begin sat in his armchair flanked by President Yitzhaq Navon and Defense Minister Moshe Arens as if he were not there.

The pictures revealed that which the heart has not yet told the lips: They spoke about the bitter disappointment which Begin, of course, keeps deep down in his heart about the adventure he was dragged into by Ari'el Sharon and Refa'el Eytan. They promised him an historic victory, a cheap additional peace, a friendly government in Beirut, the expulsion of the Syrians from the land of cedars, a bonus to the U.S. partner to the memorandum of understanding.

Unlike his public image, Begin is not a hardened and thick-skinned man. Although he has been shirking the adoption of conclusions regarding himself--and perhaps he believes that he should remain in his post to prevent concessions in Judaea and Samaria and to abort an internal crisis in the Likud--he does not personally have the thick skin that enables other politicians to go on as if nothing had happened. The Begin of 1983 feels enmeshed. Perhaps he regrets not having sufficiently learned the details, not having interrogated beforehand the members of the al-Jumayyil family who were full of promises before the war and not having gone to the field to investigate, a recurrent phenomenon in his career from the time he commanded the Irgun until he became the Israeli prime minister, a phenomenon for which

he has paid a dear price. This Begin has two faces: sometimes he assails his rivals and accuses them of the situation and sometimes he sinks into his own depression, becomes introverted and anguishes within himself--and that is what is happening now.

Is it not surprising that given these circumstances he has not held a soul-searching, face-to-face talk with former Defense Minister Ari'el Sharon since the Kahan Commission findings were released? Or that, for the time being--this yet may change, of course--he has not yet set the time for the traditional interviews he accords on independence day as a gift to the media?

People who have visited him in the last few weeks have found that he is not alert, that his interest is confined to the issues raised before him, that he rapidly delegates them to other ministers without stamping his personal impression on them. He only evinces minimal interest in domestic affairs; he was only belatedly involved in the planning of recent economic measures; he reacted slowly to the affair of the late Emil Grunzweig and has to date not seriously denounced occurrences of extreme violence.

Nevertheless, his silence does not adversely affect his popularity. Begin is still the public's favorite, perhaps in ever-increasing numbers. As far as he is concerned, public opinion polls do not stimulate him to expose himself to the international and Israeli media. However, the question is not whether he has the ability to be reelected but how able is he now to steer the ship of state and handle a confused public at a time when he locks himself in his office or appears only at synthetic receptions.

An outstanding example of this is what is currently happening in the political arena. The negotiations are at one of its most sensitive stages but Begin seldom confers with U.S. envoy Philip Habib. He is briefed but there is no certainty that he is holding the steering wheel. In spite of the failures of this government in the last year, there is no doubt that his political stature outshines that of any of his colleagues who may be called upon to fill the vacuum.

What is Begin now telling the public? What is he asking except for patience? Will the trauma of the negotiations with Egypt recur, with everybody hearing Foreign Minister Yitzhaq Shamir saying that we have neither given up nor lost but then, one day, it will emerge that all the axioms have crumbled and that there is no Major Sa'id Haddad, just as Yamit and its offspring were erased with one stroke?

After 6 years of rule in which the Likud has experienced crises and both successful and failing political contacts, it turns out that there are two kinds of negotiations in the Begin era: the first, when Begin masterfully, professionally and outstandingly maneuvers the government's helm--and there is no better evidence of this than Zbigniew Brzezinski's recently published memoirs which prove that Begin's heavy suspicions about the former Pole who

became a U.S. political strategist were founded; and the second, when Begin envelops himself in his depressing calm. In the past the late Moshe Dayan and 'Ezer Weizman were at his side and they realized that he expected them to seize the opportunity and get through the breach, introduce amendments, concessions and changes which Begin did not want history to record as being his own initiative. To a great extent and from another angle, this duty was energetically performed also by Ari'el Sharon. While he was agriculture minister and then defense minister, he took the initiative and acted and Begin extended his blessings.

It is not clear whether there is now anyone at his side who has the required attitude and stature to perform the task of the former senior ministers. Moshe Arens is a source of hope that he will initiate innovative political moves, either hawkish or dovish, while Yitzhaq Shamir has not yet seized the opportunity to spread his wings and take the initiative into his own hands.

However, the current situation cannot last for long. With difficult times in Lebanon and Judaea and Samaria, the public expects Begin to assume responsibility and accord detailed interviews to the media in order to try and explain where he is headed.

CSO: 4400/285

ISRAEL

BRIEFS

ISRAELI MAIL TO IRAN--In the last few weeks the Iranian authorities have begun returning to Israel mail sent to relatives in Iran. Since diplomatic relations between the two countries were severed over 2 years ago, the Iranians have not returned Israeli mail. They only began doing that a few weeks ago. When diplomatic relations between the two countries were severed, the Iranian post office informed the Communications Ministry about the severance of mail links between them. However, Iranians continued to accept Israeli mail even after this announcement was made and did not return it. [Text] [TA110940 Tel Aviv MA'ARIV in Hebrew 11 Apr 83 p 2]

EGYPTIAN AIDS MOSQUE REPAIR--Egypt has informed Israel it is prepared to send two architects to help in the repair work of the Yafo Hasan Bakk Mosque and even contribute for this a sum which is equivalent to 400,000 shekels. Our correspondent Yo'el Dar has learned that the proposal was transmitted to Israel last week via the Muslim board of trustees in Yafo. Israel's reaction is not yet clear. [Text] [TA101341 Jerusalem Domestic Service in Hebrew 1300 GMT 10 Apr 83]

TOURISM DIRECTOR'S SOVIET INVITATION--At the end of last week, the director of the Israeli tourism office in Rome received an official invitation to tour and hold working meetings in Moscow. The invitation was sent by the tourism affairs attache at the Soviet Embassy in Italy. The invitation was extended at the monthly meeting of directors of foreign tourism offices in the Italian capital, during which the Soviet representative, (Aleksandr Disaydini), invited all the tourism attaches to a working visit in the Soviet Union. At the end of the meeting, the director of the Israeli tourism office in Rome, (Roby Harley), approached the Russian representative and told him that the general invitation probably did not apply to the Israeli official. "I was also referring to the representative of the State of Israel, and I take upon myself the responsibility of settling all the visa arrangements for you," the Soviet representative said, and handed the Israeli an official invitation for the last week of May. The HA'ARETZ correspondent points out that Israeli tourism elements are satisfied with the invitation of the Israeli representative. The HA'ARETZ correspondent has learned that for some time now signals are being received from the Soviet Union about its intention to open its gates to Israeli tourism to a certain extent. [Ilan Shehori] [Text] [TA110723 Tel Aviv HA'ARETZ in Hebrew 11 Apr 82 p 2]

TERRITORIES TAX RULING--The High Court of Justice ruled today in a decision in principle that the Israeli authorities are allowed to collect value added tax [VAT] from the residents of Judaea, Samaria and the Gaza region. The acting president of the high court, Justice Me'ir Shamgar, accepted the claim of the administration that the changing economic circumstances in the territories since the 6-Day War call for imposing the new tax parallel to its imposition in Israel. The justice also accepted the administration's claim that it uses the VAT in the territories only for the good of its residents. Our correspondent Moshe Negbi comments that the High Court of Justice's decision sets an important precedent as far as international law is concerned, because this is the first time it has been decided that military rule can impose new taxes in an occupied territory when the security and economic circumstances demand it. [Text]  
[TA101802 Jerusalem Domestic Service in Hebrew 1700 GMT 10 Apr 83]

CSO: 4400/285

JORDAN

ANTI-JORDANIAN MOVEMENT ISSUES STATEMENT

JN211438 Damascus SANA in Arabic 1340 GMT 21 Mar 83

[Text] Damascus, 21 Mar (SANA)--A responsible source in the Jordanian national movement has affirmed King Husayn's connection with the capitulatory U.S. plans and his intention to negotiate with the Zionist enemy this spring.

The source said that during his press conference in London, the day before yesterday, King Husayn disclosed that his contacts with the Egyptian regime have never stopped and that he has visited Cairo twice and coordinated with Egyptian President Husni Mubarak on the basis of accepting Reagan's plan and concluding a capitulatory agreement with the Zionist enemy and in accordance with the line adopted by the agent regime in Egypt.

In a statement published here, the responsible source in the Jordanian national movement said that the Jordanian regime's actions are considered a betrayal of the pan-Arab struggle and a violation of the Arab League Charter and laws.

The Jordanian national movement called for rejecting and rebelling against the Jordanian regime's behavior. It also called on the masses to encircle this regime and impose a tight blockade on it in order to topple it and establish a national, democratic Jordanian regime.

It also appealed to the Palestinian Arab masses and their fighting Fedayeen factions as well as the PLO to achieve the unity of militant struggle and promote their strategic alliance in order to foil the Jordanian regime's plans.

The movement concluded its statement by promising the Arab nation to remain committed to its national responsibilities toward aborting the Jordanian regime's capitulatory schemes and plans.

CSO: 4400/283

JORDAN

AMMAN WEEKLY CRITICIZES YOUNG APPOINTMENT AT BBC

JN071248 Amman AKHBAR AL-USBU<sup>t</sup> in Arabic 7 Apr 83 p 5

[In "The Heart" column: "A Vicious Zionist at Head of BBC"]

[Text] The appointment of British Jew Stuart Young as the chairman of the BBC board of directors should not pass without an Arab stand compatible with the unjustified behavior of the UK Government.

Our objection is not because Young is a British citizen or because of his religion, for in the Arab countries we do not discriminate between citizens on the basis of their religion. If a Jew lives in an Arab country he is granted a citizen's full rights. But we protest because the head of a big broadcasting corporation which transmits its programs all over the world is a Zionist, even a staunch Zionist. There is nothing new in recalling that he is a member of Tel Aviv University's board of trustees and of the joint fund in support of Israel and is chairman of the Jewish Social Services Council. We can imagine the effect the appointment of such a personality could have on the various informational services provided by the BBC.

Through pro-Zionist organs, Zionism has created an uproar in France, protesting a statement by famous thinker Garaudy and two French Christian clergymen published in the French newspaper LE MONDE in which they condemned the Israeli invasion of Lebanon and U.S. aid to Israel. Zionism even sued Garaudy and his two colleagues in the French courts and accused them of being anti-Semitic. It did all this because a statement was published in the form of an advertisement condemning Israeli barbarism and massacres.

The Arabs adopted a good stand when Thatcher at first refused to receive a PLO representative in London within an Arab delegation. This stand was so influential that Britain had to review its position and retract it. The appointment of a Zionist as the BBC chairman is not less dangerous than the decision which the Arab nation strongly faced. The world has not become so narrow for the UK prime minister to appoint a Zionist as the head of a corporation that is most influential to the world public opinion.

What backs the Arab stand on this issue is the resentment shown by British circles toward the appointment of Young. The House of Commons has protested

the behavior of Thatcher's government and Watkins, one of the Labor Party leaders, expressed displeasure at the appoint of Young as BBC chairman.

We hope for another firm Arab attitude toward the UK Government so that it will reconsider its less than objective decision. That is what we hope and wait for.

CSO: 4400/283

JORDAN

JORDAN, ROMANIA SIGN COOPERATION PROTOCOL

JN232036 Amman Domestic Service in Arabic 1200 GMT 23 Mar 83

[Text] Jordan and Romania have signed a cooperation protocol for the year 1983 at the National Planning Council. The joint Jordanian-Romanian Committee approved the protocol at the conclusion of its fifth session held in Amman. The protocol includes the projects which the Romanian side is implementing in Jordan in oil exploration, electricity, agriculture and the expansion of the Az-Zarqa' oil refinery. The protocol indicates that the Jordanian side welcomes Romanian participation in implementing some Jordanian development projects within the 5-year development plan for 1981-1985. The two sides expressed a desire to promote the existing scientific and cultural cooperation between the two countries, to increase and diversify the trade exchanges and to establish two trade centers in Amman and Bucharest.

Dr Hanna 'Awdah, chairman of the National Planning Council and head of the Jordanian side on the committee, and Ion Stanescu, Romanian minister, head of the Department for Construction Abroad and head of the Romanian side on the committee, signed the protocol.

CSO: 4400/283

KUWAIT

KUWAITI MINISTER PRAISES NATION'S PRESS FREEDOM

GF181055 Kuwait ARAB TIMES in English 17-18 Mar 83 p 4

[Excerpts] Tunis, 16 Mar (KUNA)---"Kuwait's press is providing a democratic breathing space and is enjoying a large degree of freedom," Kuwait's state minister for cabinet affairs, Mr 'Abd al-Aziz Husayn, told a Tunisian newspaper yesterday.

By expression opinions and launching criticism, the Kuwaiti press is helping the public to get acquainted with global cultures, the minister said.

In an interview with the Tunisian daily AL-AMAL, Mr Husayn reviewed Kuwait's democratic experiment and said: "We are a small nation who used to live as one family drawing its force from the sea and desert. We are closely attached to each other and are aware of the need for consultation and cooperation,"

Mr Husayn described the Iraq-Iran war as a dilemma and said that Kuwait has tried several times to bring the conflict to an end. But Iran's adamant stand has prolonged the war, he said.

Of Kuwait's attitude towards OPEC and the oil issue in general, Mr Husayn said that Kuwait believes that the issue should be tackled inside OPEC, but if there is no agreement, the Gulf state will be bound to preserve their interests because they rely entirely on oil proceeds.

CSO: 4400/282

KUWAIT

KUWAITI OIL MINISTER VIEWS FUTURE OF SANTE FE OIL COMPANY

LD231211 Kuwait KUNA in English 1603 GMT 23 Mar 83

[Text] Kuwait, 22 Mar (KUNA)--The U.S. interior secretary's decision to ban the Kuwaiti-owned Santa Fe Oil Company's operations in federal territories "will not affect its current and future activities" Kuwait Oil Minister 'Ali al-Khalifah ash-Sabah told the national assembly Tuesday.

In a written statement to assembly members, the minister said "Kuwait will move to correct the decision in different ways."

The statement said that there are four types of regions for exploration of mineral resources in the United States. Those were continental shelves, lands owned by private individuals and companies, lands of the U.S. Government and those belonging to the Federal Government.

Federal territories, are leased for exploration only to states who grant similar concessions to U.S. nationals and firms.

Kuwait who held no concessions in federal lands, applied for the U.S. Government in 1980 to determine her qualifications to obtain such concessions for exploring oil and natural gas in federal territories.

The application was recently turned down by the U.S. interior secretary on the basis that Kuwait, according to the U.S. interpretation, is discriminating against American companies.

According to the American interpretation, Kuwait while taking over U.S. Gulf and Amin oil companies allowed the concession granted to the Arab-Japanese Oil Company to continue, the statement added.

"We believe Kuwait had not practiced any just treatment against American firms. [sentence as received] The State of Kuwait owns all the natural resources and not a single concession inside Kuwait is held by a foreign element."

The state is practicing that right through Kuwait Petroleum Corporation, the statement to parliamentarians added.

This is a legal point which will try to establish through consultations with the U.S. administration, over the interpretation of the American interior secretary.

The effects of the ban on Santa Fe will be very limited indeed as the company's assets in that region do not exceed 14 million dollars, the minister told the assembly.

Those assets constitute a very minor percentage of Santa Fe's concessions in the United States, Al-Khalifah pointed out in the statement.

The decision will not affect the company's present and future expansional plans and we were aware of the American ban on such investments when we acquired Santa Fe, he added.

The ban is of no significance and Santa Fe's minor concessions can easily be exchanged for others in investable regions.

The decision is not correct from the legal point of view and we think we can correct it in different ways, Al-Khalifah stressed.

"The American decision will not affect the profitability of the company or its present and expected activities," the minister said.

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KUWAIT

BRIEFS

TV COOPERATION AGREEMENT--Kuwait, 3 Apr (KUNA)--Kuwait and Hungary Sunday signed a television cooperation agreement under which the television administration in the two countries are to exchange views, news photos and films on the political, economic, social and cultural lives in the two countries. Kuwait's Ministry of Information Undersecretary Shaykh Nasir Muhammad al-Ahmad as-Sabah and the visiting director of Hungary's television signed the agreement. Kuwait's Ministry of Information and Hungary radio signed a similar information cooperation agreement last year. [Text] [LD040210 Kuwait KUNA in English 1730 GMT 3 Apr 83]

PROMOTIONS ANNOUNCED--The latest issue of the official newspaper AL-KUWAIT AL-YAWM on Sunday, 27 March will publish an Amiri Decree promoting the ministers plenipotentiary, Muhammad Ahmad al-'Atiqi, Ghazi Muhammad Amin ar-Rayyis, Sa'ud Nasir as-Sabah, and Muhammad 'Abdallah 'Abbas Abu al-Hasan to the rank of ambassador. Advisers 'Abd al-'Aziz 'Abd al-Wahab al-'Uthman, Ahmad 'Abdallah al-Mubaraki, Musa Sulayman al-Musa and 'Abd al-Muhsin Salim al-Harun will be promoted to the rank of minister plenipotentiary. [Text] [GF290609 Kuwaiti AS-SIYASAH in Arabic 27 Mar 83 p 2]

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PSYCHOLOGICAL SIDE EFFECTS OF WAR EXAMINED

Beirut MONDAY MORNING in English No 557, 14-20 Mar 83 pp 34-41

[Article by Lydia Georgi]

[Text]

**The impact of eight years of violence on the Lebanese people's mental health has yet to be accurately determined, but there is a strong suspicion among the specialists that the effects are only partially visible now and will surface in the years ahead.**

Those effects, the specialists believe, will be seen on the level of the individual, the family and society in general, and they will bring with them problems that Lebanon would do well to start preparing for as of now.

And a first step has been made.

A two-day symposium was held at the American University of Beirut on March 4-5 which brought together some 35 Lebanese and foreign psychologists, psychiatrists, social psychologists, sociologists, anthropologists and criminologists to discuss "The Impact of War on the Mental Health of the Lebanese."

The symposium, under the patronage of Health Minister Adnan Mroueh and AUB President Malcolm Kerr, was organized by Dr. Alexander Abdennur (of AUB's Dept. of Social and Behavioral Sciences), Prof. Richard C. Day (of AUB's Department of Education) and Prof. Laila Farhood (of the AUB School of Nursing), and funded by the Ford Foundation, the British Council, the Canadian Cultural Center, Middle East Airlines and the Goethe Institute.

The conferees shared information gathered from small studies and surveys they had conducted separately in Lebanon over the years. The preliminary picture that emerged about the mental health of the Lebanese after their ordeal was foggy, but it was clear enough to convince the participants that urgent action was needed on a nationwide level to anticipate the mental problems that are likely to become more pronounced as the political and military situation in Lebanon improves.

Some of the psychological and social effects of the war on the Lebanese people, the symposium agreed, were already visible.

Prof. Samir Khalaf (Dept. of Social and Behavioral Sciences, AUB), for instance, noted that public life in Lebanon had been severely demoralized.

In an article submitted to the symposium, entitled "On the Demoralization of Public Life in Lebanon: Some Impassioned Reflections," Prof. Khalaf said, in summary:

#### DEMORALIZATION

"Lebanon has been experiencing the fragmentation of its political system and the dismemberment of its society. The civil war has required from the average citizen a complete rearrangement of his environment and the nature of his citizenship. Yet, rather than freeing the Lebanese from their pre-war excesses, the war has unleashed appetites and inflamed people with an insatiable desire for material satisfaction and acquisition.

"The Lebanese society is in a state of anomie, people have become victims of a chronic condition of seeking without fulfillment. Demoralization has become so endemic that foul and illegitimate means have become necessary to attain desired goals.

"The average Lebanese is being denied the right to live in a decent and edifying environment; he is unable to secure his daily physical needs except if he violates society's norms or his moral principles. The time and resources spent doing endless and futile chores simply to cope with the sheer exigencies of survival results in a pervasive feeling of entropy and lifelessness. In addition, the allegiance of the

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\*Quoted from an abstract presented at the symposium.

Lebanese to forces other than their national loyalties has led them to transgress, to actually take the law into their own hands, and to ignore public welfare if it happens to clash with their private interests.

"The war has aggravated the decadence in public life. The Lebanese have been exposed to the terror and brutality which accompany naked violence and civil unrest. They have been tutored or socialized into violence. Human aggression has been transformed into an innate desire for destructiveness or a compulsion to kill. A significant portion of the society has been living unlawfully and thus outside a civil order. Even those who are empowered to safeguard public safety are reluctant to exercise their legitimate responsibility for fear of retribution actions.

"The social system has moved into a more closed one. The boundaries and horizons within which people circulate and interact continue to shrink. A generation of children and adolescents have grown up thinking that their social world can't extend beyond the confines of the small communities within which they have been compelled to live.

"The way people have resorted or coped with this demoralization is through a general mood of indifference and entropy. All disagreeable features of everyday life are now accepted as normal appendages to a post-war society.

"Yet this accumulation of discontent, pent-up resentment and important hostility is bound to manifest itself in symptoms of psychic distress and personality disorders.

"Psychiatrists and general practitioners report an increased rate of psychosomatic disorders, phobias and acute anxiety reaction and depression. There have been pronounced differential reactions to this moral crisis by the various socioeconomic groups, yet in all instances, civility is becoming more deficient and the quality of public life is further impoverished..."

The "symptoms of psychic distress and personality disorders" which Prof. Khalaf says are bound to manifest themselves have not yet done so on a significant scale, according to psychiatrists in Lebanon.

Dr. Antranik Manoukian (former manager of the Asfourieh Hospital for Mental and Nervous Disorders) and Dr. Abderrahman Labban (former Lebanese minister)-- both leading psychiatrists--told the symposium that people generally tended to be more healthy mentally during stressful situations than after the stressful situations are ended.

#### Survival

"The intense energy that goes into survival during war situations tends to mask any mental health problems," Prof. Day explained. "People are remarkably able to adjust, it seems. West Beirut last summer was a classic example of people who had to adjust to incredible circumstances. Water, electricity and food were cut off, there was constant shelling, and somehow or other, these people maintained their psychological integrity.

"But what we're afraid of is, what happens when people can let down, when the stress is lifted and people can relax? They have not been able to do this yet, because the trouble never seems to end. If it's not in Beirut, it's somewhere else, and there are many people in Beirut who have village homes and are still being traumatized by the constant pressure that exists in the mountains. Even in West Beirut, we have periodic car bombs and other explosions that traumatize us tremendously, so we still can't afford to release completely. The question is, what will happen when we do?"

"There is a latency period that varies with each individual and his circumstances," he told me. "Usually, it takes around two years for the stress symptoms to appear. This is true of soldiers and combat neurosis: a soldier who has been subjected to extreme stress during war usually starts experiencing symptoms roughly two years after exposure...."

"If one remains mobilized, one postpones the onset of the symptoms. There is a time limit for the appearance of the symptoms, though. That limit varies with the individual, but a person can break down and experience symptoms even during stressful situations."

He recalled the cases of two students who were suffering from lack of concentration (to the point of not being able to work), anxiety attacks and gastric problems.

"I was able to trace their problem back to traumatic experiences that had occurred one year earlier in the case of one student and one and a half years earlier in the case of the other. Each had been trapped in a very dangerous situation and had experienced tremendous fear totally passively," Dr. Abdennur said.

He added that although no data was available, it was probable, for instance, that many of the militiamen who fought in Lebanon's 1975-1976 war were now experiencing stress symptoms.

Dr. Abdennur, in fact, questioned Lebanese fighters in 1977 and found them to be suffering from various stress symptoms. He interviewed 44 fighters aged 16 to 30 and "fairly representative...of the major groups involved in the war, with the exception of the Palestinians." Of the 44, 35 admitted to having killed enemies during combat, and the average number each killed at close range was four.

The interviews indicated a post-war increase in the following symptoms:

- General irritability and impatience
- Startle reaction
- Insomnia
- Mild depression (moodiness)
- Increased need to be with friends.

Guilt feelings among the fighters, Dr. Abdennur reported, were "strikingly infrequent." Only one of the 35 killers admitted to experiencing guilt, he said, adding: "Repression and denial of guilt also seemed to be extended to the mourning of comrades and relatives killed in the fighting."

Dr. Abdennur did not take the names of the fighters he interviewed, which probably made the respondents more candid in their answers, but it also made it impossible for him to follow up his study and find out how those fighters fared in the ensuing years.

"I would not be surprised to learn, however, that they experienced a great deal of stress and sometimes treated themselves with drugs or alcohol," he said.

Resorting to drugs and alcohol is an instance of what psychologists call "acting-out behavior," a category of reaction to stress that also includes such phenomena as overeating, marital problems, quarrelsomeness and assaultive behavior. These are stress effects expressed in terms of action, as opposed to such stress effects as anxiety or depression.

The symposium found evidence that stress symptoms--anxiety, depression acting-out behavior, psychosomatic ailments--were already beginning to emerge in Lebanon, although there was no date to indicate how widespread they are.

Depression, for instance, is assumed to be fairly widespread among the Lebanese.

"Depression is mainly a reaction to loss--the loss of a member of the family, the loss of a house, separation from the community in which one used to live," Prof. Farhood said, "and since there have been so many losses, we assume that there are many cases of depression."

Acute depression, she said, was often accompanied by inability to sleep, eat or enjoy life, and suicidal ideas sometimes came with it.

Such states, if not treated, usually lasted from six to nine months, after which they generally "cleared themselves up," she said.

One form of "acting-out behavior" believed to be increasing in Lebanon is drug addiction.

The impression is based in part on a pilot study conducted before and during the Lebanese war by Dr. M. Shihabeddine, Dr. R. Dieka and Mrs. W. Sulaiman, and published by the Lebanese Center for Educational Research and Development, which co-sponsored the mental health symposium with AUB's Center for Behavioral Research.

The study involved 50 Lebanese subjects aged between 25 and 45; 10 of them were female and 40 were male; 10 were married and 40 were single; 10 were fighters in the war and 40 were not; 12 were university students, eight were college students, 10 were defined as "intellectuals," 10 were classified as workers and 10 as "others"; 15 were studied before the war and 35 during the war, and the study was conducted in Beirut and its southern suburbs, the Shouf district and Baalbeck.

The findings were described to the symposium as follows:

"In general, four main results were found:

"Firstly, an increase in the percentage of drug addicts was noted to have occurred during the war as compared to the percentage before the war period. When these drug addicts were asked about the war, they agreed that the situation in Lebanon, i.e., the war, was the cause of this increase because of the fear, the feelings of loss and emptiness they felt, and the weakening of all social controls and inhibitors.

"Secondly, drug addiction as a phenomenon was found to be no longer restricted to certain socioeconomic classes but rather became a general social phenomenon widespread throughout all levels in the society. In addition, it was noted that an increase in the number of female addicts, in particular among the university students, occurred.

"Thirdly, drug addiction was found to be widespread in the mountains and villages. This has been explained by the presence of many metropolitans (i.e., those who live from individual to collective and the kind of drug used followed an increasing line of intensity, i.e., they switched from hashish to heroin and to cocaine plus other drugs.

"Moreover, it was noted that almost all subjects came from families where parents were in constant disagreement. For a good percentage of the subjects despite their disagreement, their parents kept on living together. The authors of this study pointed to the fact that this study was just a pilot study and it should be looked at and understood in the context of the exceptional situation that was prevalent in Lebanon at the time."

#### Tranquillizers

Since then, a more extensive but less representative study of drug addiction has been conducted at the American University of Beirut.

The study, covering 550 randomly selected AUB students in 1982 (before the Israeli invasion), was a follow-up on a similar study done by Dr. Nassar of the AUB Infirmary in 1972.

"Obviously, Prof. Day said, "the 1982 sample was not the same as the 1972 sample, but both were still AUB students, and a comparison between the two groups gave us some very interesting findings.

"We found no increase in the use of the drugs that one would have expected an increase in — the harder drugs, like heroin, cocaine and opium — and no increase in students' marijuana intake (17 percent in 1972 and 17 percent in 1982).

"The increase, we found, was in the use of tranquilizers — and it was a dramatic increase."

It was also found that there was a direct link between the students' attitudes to the violence and their use of tranquilizers.

Dr. Day explained: "We gave the students measures of stress. We asked them to report incidents that had occurred in their lives and to evaluate how much those incidents had affected them. The only thing that seemed to predict a rise in drug abuse among the students was their appraisal of the events that had occurred to them; the more negatively they had reacted to these events, the more likely they were to have increased their use of tranquilizers."

This relationship between attitude to events and the psychological effect of events was later borne out by a small study done by Prof. Day and three AUB graduate students in educational psychology.

The study, which set out to "assess the coping mechanisms of Beirut survivors," involved interviews with 16 undergraduate students who had stayed in Beirut during the Israeli invasion.

"I split these people into groups and looked at what their thinking processes were like while under this extreme amount of stress, to see whether those thinking processes led to a prediction of a state of well-being or of a state of illness, whether psychological or physical," Day said.

"We found that those who had approached the situation in such a way that they were active, information-seeking and more fatalistic seemed to have a better sense of physical and mental well-being than those who found the situation overwhelming, hid from it and were overwhelmed when confronted with it. This is consistent with research done in many different cultures."

In addition to the yet unquantified increase in drug

use in Lebanon, the war has probably increased the intake of alcohol among the Lebanese--an increase which is likely to become more significant in the years ahead.

Dr. Dennis O'Hara, of St. Joseph's University, in the U.S., who addressed the symposium on the subject of "Substance Abuse: Interventions for Traumatized Groups," warned the Lebanese that they should expect an increase in "substance abuse," particularly alcoholism.

Prof. Day said: "Groups that undergo trauma have typically looked at alcohol as a way of relieving trauma. We have no statistics, but we believe that there has already been an increase in alcohol consumption in Lebanon, and we should expect a further increase--because alcohol is widely available here, it's relatively inexpensive, and there is very little control on the sale of alcohol, so that very young people can have access to it."

And according to research done elsewhere, "very young people" (aged 15, for instance) are among the group most affected by traumatic experiences like the Lebanese experience.

The effect of such experiences on civilian populations was discussed at the symposium by Dr. G. W. Fenton of Queen's University in Belfast, Northern Ireland, which has had its share of the type of violence Lebanon has been exposed to.

According to Dr. Fenton, women appear to be more affected than men, and the 15-44 age group is more affected than children or older people.

"That is true in Belfast," Prof. Day says, "and the psychiatrists here seem to feel that is true in Lebanon as well."

#### Children

The little research that has been done here confirms that children are not as vulnerable to trauma as teenagers and adults.

Making a distinction between "trait anxiety" (the tendency among certain people to react very strongly or hysterically to minor occurrences) and "state anxiety" (the natural anxiety universally caused by a traumatic experience), Prof. Day said he had found that Lebanese children experienced state anxiety after a traumatic experience, but that this anxiety tended to taper off quickly.

"We have some data collected on children in Ras Beirut whose school was near a car-bomb explosion," he said. "We measured their anxiety levels over several days. We saw a big jump in their state anxiety the day after the explosion, but this tended to taper off immediately."

But the effects of Lebanon's violence on Lebanese children is not to be minimized. Other studies have indicated that the violence and its after-effects may be having an impact on the behavior pattern and moral judgement of children.

Prof. Day described a study done at International College two years ago, the day after the beaches close to the school were shelled from East Beirut.

"We came in by chance and measured the behavior of the boys and the girls at I.C. the day after the bombing of the beaches," he said. "We saw something almost like hyper-violence: the children were tremendously aggressive towards each other, and this seemed to be true of both sexes.

"So one of the things that people have to be concerned about here is that the aggressive behavior and violent display of anger is going to have an effect on children, on a subsequent generation of Lebanese.... If you model such behavior over an extended period and children observe it, children are going to become more violent because they learn from the behavior of adults."

Another, more extensive study came to the conclusion that the Lebanese war was having "a negative effect on the moral judgement of 12-to 14-year-old Lebanese children.

The study, "Moral Judgement of Lebanese Children After the War," was done by Julinda Abu Nasr, Sylvia Vriesendorp, Irene Lorfung and Iman Khalifeh for the Beirut University College's Institute for Women's Studies in the Arab World. It was summarized for the symposium as follows:

"Based on the assumption that modeling is a powerful means for changing behavior, we hypothesized that the war models will have their negative effect on 12-14 year-old children's moral judgement. The years of middle childhood are of special interest in studying moral judgement since children of this age have just reached a decisive stage in the formation of morality.

"Data were collected on 548 Lebanese children from different geographical areas in Lebanon. The sample was purposively selected, since random sampling was not possible, to include boys and girls from different social classes and with different degrees of exposure to war.

"Two stories dealing with killing were formulated by the authors, one depicting a war situation and the other an everyday, neutral situation. This was deemed necessary since data on the children's pre-war moral judgement were not available. The child was asked to judge the behavior of the character in the story by confronting him/her with the conflict that had to be solved. The children, assembled in refugee areas, churchyards, schools, or youth clubs, were requested to answer the questions in writing.

"Responses were classified as being moral or immoral and tabulated by situation of story, neutral or war, controlling for exposure, age, sex, religion, type of school, and social class. Chi square analysis was used to test the significance of change from moral responses in a neutral situation to immoral responses in a war situation.

"The majority of children's responses were moral in both situations (79 percent war, 56 percent neutral). However, 26 percent of them justified killing as moral in the war situation irrespective of exposure, age, sex, religion, social class or type of school. This change was significant, confirming our hypothesis that war models had a negative effect on the moral judgement of 12-14-year-old Lebanese children."

A similar conclusion was reached in a recent AUB M.A. thesis by Hana Turk, who studied four age levels of Lebanese children in 1982 and compared her findings with the results of a similar study done in Lebanon in 1972.

Her conclusion, as presented to the symposium, was that moral judgement of Lebanese children "seems to have been affected by the wider society. Lebanese children in 1972 eventually reached a moral-judgement stage of defending the 'social order,' while those in 1982 levelled off at the stage of gratifying their instant impulses without much consideration for others."

#### FAMILY

It should not surprise anyone if this change, among others, affected the fabric of family life in Lebanon — and there are indications that family life is already being affected.

Prof. Farhood told me: There is a change in the value system in Lebanon. The traditional value system that we used to have is not even accepted anymore, and we don't have a new one. This is a major problem that we must deal with, especially with children and teenagers. You hear parents saying they can't handle their children anymore — they don't want to be hard on them because of the war, because they're afraid of disrupting their psychological system, and the children do whatever they want. No one is in his real place anymore.

"I imagine that we may have a problem in that area in the future, especially among those who are growing up in this period."

The Lebanese family, Prof. Farhood added, was also being shaken by "a change in the role of women, a change which is probably due to the war. The change is in the value and moral system. There is more openness and flexibility regarding the role of women, in that more decision-making has been given to the women because of certain family problems — like the husband's need to work abroad or in Lebanese areas where he does not have full access to his family..."

"The Lebanese family is basically healthy, but its equilibrium has been disrupted by the war. Women have acquired more power and taken on decision-making activities that were not theirs before the war, and this has had a stressful impact on the life of the family. Separation and reunion has also been tough on the husband..."

"Family members are talking about their problems more, expecting more from other family members, not ready to put up with what they had accepted before. Women are more open now. They are asking for divorce. And because divorce is not accepted in some religious groups and because it is sometimes socially unacceptable, what we are witnessing now is a growing trend towards what I would call emotional divorce — which is worse than legal divorce."

In short, as Prof. Day put it, "the war has already had some effect on the mental health of the Lebanese, but we believe that the major effects have not appeared yet and we should anticipate them. They have not appeared because we have not had a period in which we can let down, and all the literature suggests that it is in that period that the problems will be allowed to come to the surface."

Prof. Farhood: "We don't want the public to think that the mental health of the Lebanese is way down. We don't want to draw a pitch-black picture, because we really don't know — we have no data to speak of."

What they have is a set of impressions based on personal observation and small studies, and those impressions indicate that Lebanon would be well-advised to equip itself to deal with mental health problems among its population.

"At this point," Prof. Day said, "we have no answers. What we have provided is questions and ways of formulating the pertinent questions."

#### POLICY

"And one of the major questions that we were most concerned with is this: What is being done in Lebanon now to deal with something that all our experts agree is going to have a tremendous impact on people's psychic health and growth? We discovered in the symposium that there is a very incomplete health policy in Lebanon, and that very little is being done in the field of mental health.

"Dr. Mroueh, the minister of health, will freely admit that there is a tremendous need to look at mental health in Lebanon. He has told me that he feels this is the number one concern of his ministry; that physical health concerns can somehow be managed, but there is very little being done now to coordinate mental health policy in Lebanon."

To start correcting the situation, the symposium formed a six-member, multi-disciplinary working group to follow up the problem with the authorities and the experts concerned. The members: Dr. George Murr, president

of the Lebanese Center for Educational Research and Development; Prof. Day, Prof. Farhood, Dr. Abdennur, Dr. Labban and Dr. Manoukian.

And the committee's first step will be to submit to President Amin Gemayel a set of recommendations.

The recommendations were still being drafted last week, but I understood they would focus on three major points:

1. The need to organize and fund a system for the collection of data on the mental health of the Lebanese population.
2. To organize and fund a nationwide educational campaign to acquaint the Lebanese with mental health problems and change their attitudes towards those problems.

"In all cultures," Prof. Farhood said, "psychiatric services have always been stigmatized, but they are much more so in Lebanon, because of the cohesiveness of the system and the closeness of relations in this country. Anything to do with psychiatric services is even more hush-hush in Lebanon than elsewhere. This must change if people are to seek psychiatric help in the future, as we hope they will."

Prof. Farhood said the participants in the symposium had noticed an improvement in the attitude of the Lebanese towards psychiatric services over the past few years. More people were seeking therapy, even family and marital therapy, and this was probably due to the war. "It is as if the war has served as a catalyst. It has given people the excuse to seek help, on the grounds that 'it's okay to be emotionally disturbed in a war.' Sometimes, they attribute to the war problems that have nothing to do with the war. Whatever the reason, there is some improvement in the general attitude towards therapy."

But further improvement is needed, and this can be obtained by an educational campaign that makes people aware of the nature of mental problems.

3. To make psychiatric care available to the Lebanese who seek it.

As things stand now, psychiatric care is confined to hospitals and priced out of the reach of the majority of the Lebanese. What is needed is mental health services at the level of the school and the community, and community mental health centers will be strongly recommended by the follow-up committee.

CSO: 4400/284

LEBANON

CONDITIONS OF LOCAL INDUSTRIES EXAMINED

Conference Success Unlikely

Paris AL-MUSTAQBAL in Arabic No 307, 8 Jan 83 pp 36-37

[Article: "Lebanese Industrial Conference: Rescue Step or Mere Oratory?"]

[Text] For some time, the Organization of Lebanese Manufacturers has been preparing for the General Industrial Conference organized in cooperation and coordination with "Bayt al-Mustaql." Barring unforeseen circumstances, the conference should convene in February.

Preparations for the conference are being made in a generally unclear fashion, since meetings of industrial groups sometimes take on the stamp of the sector (textiles, furniture, etc) and at other times take on a geographical stamp (al-Na'imah, Harah al-Na'imah, Kafrashima, etc). No matter who commissioned these preparatory meetings, they are aimed at defining the problems and conditions of each industrial sector individually, so that the general conference will have a group of reports and studies from which it will be able to draw up a general picture of the situation of Lebanese industry, its problems and solutions.

This is not the first attempt by the Organization of Lebanese Manufacturers to hold a conference. Similar plans were made at the end of 1980 and prior to that, but none of these efforts met with success for a number of reasons and considerations. We need not go into all of them here, but two of the most prominent were:

The deteriorating security situation in previous years which prevented many things from being carried out, including the industrial conference.

The existence of an organizational flaw in the manufacturers organization itself, which is a chronic flaw aggravated by events and is characterized by fragmentation and vision in the industrial body, translated on the practical level into industrial societies which have been formed here and there.

Whatever the case may be, it appears that the present attempt of the manufacturers organization will at least be successful to the extent of holding the conference, which allows one to say that the security situation has become reasonable and that the organizational flaws in the industrial structure can be overcome.

However, the central question around which the subject of the industrial conference revolves is the question about the conference's ability to offer anything tangible in the present circumstances to save industry, and its ability to constitute a basic, fundamental step on the path to overhauling Lebanese industry, which has been constantly drained and weakened for eight years. This question may also be in the minds of most of the industrialists who are preparing for the conference, who are the most knowledgeable about how matters progress and how all the talk over the past eight years about resuscitating industry has been to no avail and has been fruitless.

Will the industrial conference be able to achieve fundamental accomplishments? Will it be able to come up with a scientific and practical plan which can be implemented by giving industry what it needs, even if in stages?

Actually, the facts of the present situation on the industrial level and generally speaking do not generate much optimism. Consequently, it does not appear that the conference will be able to achieve any tangible success beyond that involved in convening it. What are these realities?

On the industrial level: Industrial organizations are now going through very critical circumstances which constitute, practically speaking, the culmination of the crisis which began in 1975 like a snowfall which becomes heavier and heavier until it has become today a mountain of snow.

Smuggling, which has been the subject of escalating complaints since 1978, has become a relatively simple problem compared to smuggling coming from "al-Jidar al-Tayyib" [good fence policy] and the influx of Israeli products, which enter Lebanese markets as part of a well-prepared plan of attack, similar to the military plan of attack. This Israeli influx is accompanied and supported by two dangerous things: the first is the excessive price of Israeli goods, and the second is the various facilitations granted by Israeli authorities to Lebanese merchants who import goods through the port of Haifa and transport them to Lebanon exempt from customs duties and to a great extent from port taxes. It has reached the point where these goods do far more harm than those entering Lebanon through one of the illegal ports which are not subject to the authority of the state.

The currency drain crisis from which the industrial organizations had suffered has been aggravated by the Israeli attack and has reached absurd proportions as a result of the security situation in the Biqa' region, which is the only land crossing toward the Arab countries. If not for the risk-taking of the Lebanese and their ability to adapt, it would have been impossible to export anything.

As for other problems, such as the loss of loans with easy terms and interest rates, the exodus of trained labor, the decline of production due to security considerations, and the disruption of sources of electricity and fuel, all of these problems have been aggravated and have piled up to the point where complaints have become vehement and more universal.

The gravity of the industrial situation has been increased by the deteriorating security situation in the Israeli-occupied regions. All of the factories in the Jabal region and the coastal strip stretching from al-Hadith (a suburb of Beirut) to al-Na'imah to the south have entirely stopped production for about two months. This wide region, in addition to the Biqa' region and al-Shamal, contains about half of the factories which have shut down totally or partially for one reason or another.

These facts have been translated for some time into closing announcements by more Lebanese industries, including, for example: a company in the chemical industry; the 'Asili weaving mill; the compressed wood factory; the Sal'ata chemical plant; and the ironworks in Tripoli. In addition, there are dozens of small and medium-sized companies which have been shut down with no publicity because they did not create major social problems. In light of these facts, the worst scenario for Lebanese industry at present would be that it is on the brink of death. Only a few outstanding industries can be excluded from that (cement and its derivatives, some bottled water plants), in addition to industries for which the transportation operation constitutes an obstacle which prevents them from being affected by smuggling.

In general, it seems that the industrial conference will be held and attended in the shadow of an Israeli occupation oppressing the heart of the nation. This occupation is to blame not so much for robbing the nation of its resolution and its freedom as for stirring up fighting among certain groups of society, and this fighting has led to the paralysis of industrial and educational life in the Jabal region.

Observers believe that the presence of the Israeli occupation will permit neither the industrial conference nor the state itself to make any practical decision to support industry as long as this occupation prevents workers from reaching their factories and makes it impossible to combat flooding of markets and smuggling, whether from Haifa or elsewhere.

President Amin al-Jumayyil was very frank when he met with the industrialists about two weeks ago. When some of them asked him about the problem of smuggling, he said: "As long as there is transit between Haifa and Ba'abda, it will be difficult to talk about treating the problem of smuggling. When the occupation is ended and the army takes over, then many problems, including smuggling, will be ended."

When some of those present raised the problem of closing factories in some areas, the president replied with his well-known candor: "What can be done as long as the Mossad is present in many homes?"

President al-Jumayyil's references, clear and frank as they are, get to the heart of the problem, which is the political situation in general. As long as there is occupation and as long as there is a state which is unable to exert its authority, it is useless to talk about rescuing industry. The fate of the whole of industry is subject to the fate of the nation.

This situation, which allows no opportunity for radical action to save industry, also controls the movements of Minister of Industry and Petroleum George Afram, who is a prominent industrialist and a member of the industrialists' board of directors. Minister Afram, despite his deep understanding of the problems of industry, has been able to do nothing yet except form joint committees to study the problems and write reports. He knows these problems well and he is aware of their solutions, but what can be done when the eyes are aware but the hands are tied?

In view of these circumstances on the public or industrial level, can the industrial conference offer anything, or will it, as expected, turn into a eulogy to commemorate industry and enumerate the diseases which have attacked its body and are killing it? If this conference produces recommendations, most of them will be known in advance, because these recommendations will not differ from the demands of the manufacturers organization, which have not changed since 1978.

The General Industrial Conference will convene sometime in February, and most likely it will be an oratorical event. If the reverse should happen, then political changes will have occurred. Can a miracle happen in light of the evil Israeli period through which Lebanon and the Arab region are passing?

#### Structure of Lebanese Industry

London AL-DUSTUR in Arabic No 265, 20 Dec 82 pp 36-37

[Article: "Lebanese Industry Does Not Welcome Foreign Capital"]

[Text] Despite the return of "peace" to the land of Lebanon, the real crisis continues.

Lebanese manufacturers closed three plants in al-Bahsas and Sal'atah where more than a thousand workers produced compressed wood, iron and chemicals.

The workers formed committees to meet with the manufacturers to convince them to reconsider, but the owners refused to meet with them. The workers implored the officials in the Ministry of Labor to "intervene in earnest to ensure that work continues, not out of pity for our families but out of concern for our national industry and our threatened economy."

t the same time, statistics published by the General Administration for Industry in Lebanon showed that the value of industrial exports for last October dropped by 15.7 percent in comparison to September. Industrial exports usually make up between 20 and 25 percent of Lebanon's total exports.

This is in spite of the fact that Saudi Arabia (37.7 million Lebanese pounds) and Iraq (29 million) kept first place among those who import from Lebanon. Exports totaled 83.3 million pounds.

Who is trying to tear down Lebanese industry? There is no doubt that Israel has a hand in the operation. However, one hand cannot clap. A book published by the Organization of Economic Guidance for the Middle East, edited by Marwan Iskandar and Ilyas Barudi, explains that the problem of the demolition of Lebanese industry began before the tyrannical Zionist occupation. In 1981 the rate of inflation fell from 20 to 16 percent, and deposits and bank loans grew. The atmosphere was favorable for investment.

This was reinforced by the rise in the general debt from 5.5 billion in 1980 to 8 million in 1981, but investment did not lead to the development of industry or agriculture. However, cement sales rose on the domestic market and construction footage increased, at a time when industrial exports dropped in actual worth. This drop was a result of great activity directed at converting Lebanon to an economy closer to the services sector than it had been and an economy more deeply immersed in serving current international operations to make Lebanon a "home base" for strengthening the attack on the rest of the countries of the Arab East.

This plan is based on employing 156,254 workers in eliminating the effects of the war and restoring Lebanon. These workers consist of 1,080 managers, or what the central bank calls "higher cadres," 24,429 skilled workers, 74,226 semiskilled workers, 15,440 "special" workers, and 31,339 "regular" workers.

This "work force" is distributed among the fields of the economy necessary to prepare Lebanon to pursue its former role with new determination. They are: nine percent, street maintenance crews; 11.3 percent, commercial sector; 5.4 percent, Beirut Airport; 2.1 percent for the harbor; 6.6 percent, electricity projects; three percent, road repair. The rest are to be distributed among helping property owners and building public housing, which takes up only 34 percent of the funds while two-thirds go to the private sector and consequently to those with influence and wealth. There is no objection to all of this at the present time except that this does not buy much for Lebanese industry or agriculture. Business and loans are the basic activities, and this is the object in serving the new circumstances created since 6 June.

It is well-known that Lebanon's biggest industries are centered around the oil refineries and the three cement factories. Reconstruction will prepare the cement industry but eliminate oil. After Syria's closing of

the Iraqi pipeline and Saudi Arabia's work to develop its refineries, they rely on Israel's need to operate and make use of two refineries and the extent of the desire of the government and businessmen in Lebanon to fill this need.

Aside from that, the most important of Lebanon's remaining industries center on production of light goods. In the forefront of these are food industries, where 14 percent of the industrial workers are employed. Before the invasion there were 23 organizations employing five or more workers. However, Lebanese industry is small; light, and small industries make up 90 percent of the plants. Among 2,099 industrial organizations there are no more than 63 companies, and 147 of these organizations had more than 50 workers. This small, light industry in Lebanon is a limited industry which has had no links to speak of with large capital or foreign capital. It employs half of the work force in Lebanon, which also makes it a popular sector.

Why does the reconstruction plan not tend to support it? Who is to benefit from all of this capital which will be loaned or given, if it is not directed to serve half of the population? The answer is that Lebanon's future role is a fiscal-commercial role, not a balanced industrial-agricultural role. Foreign capitalists met with great resistance in penetrating Lebanese industry due to the desire of the Lebanese to be their own masters. The result was that Lebanese businessmen, "officials," "leaders," and the holders of foreign interests decided to bring down Lebanese industry for the time being.

After bringing certain geographic regions to their knees, the next step was to bring down specific economic sectors in order to complete the elements of the "small Lebanon plan"; this would rearrange Middle East circumstances in a way desirable to all parties except the natives of the country.

Commitment to this direction certainly requires that Lebanese industry be turned semi-light and heavy commodities, which form the basis for local industrialization.

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CSO: 4404/196

LEBANON

BRIEFS

AL-AS'AD, SALAM DISPUTE--Mutual friends are making attempts to settle the dispute between President Kamil al-As'ad and (former) Prime Minister Sa'ib Salam that is on the verge of estrangement and severing of relations. The dispute began a year ago and then intensified following the presidential elections and the formation of the current government. [Text] [Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 307, 28 Mar 83 p 13]

CSO: 4400/284

PALESTINIAN AFFAIRS

PLO'S 'ABBAS ZAKI ON NEW WAR AGAINST PALESTINIANS

GF060703 Aden Voice of Palestine in Arabic 1817 GMT 5 Apr 83

[Speech delivered by 'Abbas Zaki, Fatah Revolutionary Council member and PLO representative in the PDRY, during a rally held at Aden University by the Central Council of the Yemeni Students--date not given; recorded]

[Excerpts] Brother struggler Muhammad Naji Sa'id, the secretary general of the Central Committee of the Union of the Yemeni Socialist Youths and chairman of the Central Council of the Yemeni Students, friends.

Sixteen days ago, your people in the occupied homeland were subjected to a new kind of aggression. The enemy tried repeatedly to divest the land of Palestine of its people and to divest Lebanon of its national strugglers through oppression and annihilation and consecutive military attacks. But despite all the means and capabilities he had, the enemy failed to shake the confidence of these people in clinging to their homeland. Our people continued to confront the occupation, and to express daily their vital principles and the goals. The enemy developed methods of fighting this phenomenon day after day. You know that on 21 March, the Israeli enemy launched a new kind of war, the war of chemical weapons, the poisoning weapons, so that the slow death gets associated with the dead Arab stance. During the past 16 days, we have been waiting for minute details of this war. We have been waiting for the results of this war. Today we have the choice of raising our voices--particularly in the arenas which are most radical in the field of struggle--so as to warn against this perfidious, fascist and neo-Nazi war which the enemy has been launching since 21 March 1983.

We realize that this new method endangers not only the Palestinians, but also all international pacts and conventions and that the response to that method will not be from the Palestinians alone. It should come from all honorable people in the Arab and international arenas.

We do not blame the Arabs for their past and present commitment to imperialism--a commitment which prevented them from joining us in this epic steadfastness. We do not blame them at all because the decision belongs to the masses that marched to Lebanon during the siege and rebelled against the regimes. The volunteers who came from all directions will correct the course of Arab history and will write the heading of our Arab nation's struggle in bold

letters. Therefore, we do not blame those who jumped on the bandwagon of imperialism very much.

We are sure that this conflict is very long and very costly. Our (?ultimate) dream is not to establish an independent state because the independent state is like a new camp for us from which we proceed to finish off the liberation of all of Palestine. Palestinianism and Zionism cannot coexist since one abolishes the other. If Zionism exists, Palestinianism desists and this is what has happened since 1948. Therefore, if Palestinianism exists, it abolishes Zionism and this will happen very, very soon through our efforts and sacrifices and your efforts and sacrifices. We are not afraid. They have tried us in more than one battle before. We are only afraid for our Arab nation.

CSO: 4400/281

FATAH'S AL-WAZIR INTERVIEWED BY 'AL-MAJALLAH'

PM112305 London AL-MAJALLAH in Arabic 9-15 Apr 83 pp 20-23

[Interview with Khalil al-Wazir, deputy commander in chief of the Palestinian Revolution's forces and Fatah Central Committee member, by Salih 'Awwad--date, place not given]

[Excerpts] [Question] Is it true that the Palestinian resistance gives priority to political action over military action at this stage?

[Answer] We should remember the aims of the Israeli invasion of Lebanon last summer as declared by Begin, Sharon and other Israeli political and military leaders. These declared aims were: To destroy the PLO's military capabilities and to destroy the PLO's political structure. The Israeli enemy imagined that it destroyed the infrastructure of our military forces. When we moved out and deployed our forces in new areas some people thought that the PLO military power and capabilities were finished. To give a clear picture, we must emphasize that, after leaving Beirut, the Palestinian forces were subjected to a reorganization and training program whether in Syria, Al-Biq'a' or any other country of deployment. These forces have now been rearmed in a way suited to their new tasks and circumstances.

As far as our military capabilities after our exit from Beirut are concerned, we consider armed struggle to be the basis of our Palestinian action. We will never abandon or suspend the armed struggle and the revolutionary military struggle against the Israeli enemy by all means, whatever the obstacles. There are many obstacles on the Arab borders but we manage to penetrate these barriers and our patrols manage to reach the occupied territory and accomplish their missions which include delivering arms, equipment and explosives to our fighters inside.

[Question] Does this include the Syrian borders?

[Answer] I will come to that point, but I am saying that as far as the Arab borders as a whole are concerned we are using every means to accomplish the missions necessary for our military action inside the occupied territories. Now let me take the borders one by one. Regarding the Syrian border in the Golan area, this is a special case because the obstacles, barriers and military concentrations are such that it is extremely difficult to move across it.

I may be revealing a secret when I say that despite all this there are gaps which we sometimes get through. When action across this border becomes clearly and openly permitted, our ability to operate will be much greater and our operations will be on a larger scale and more effective.

As regards the Lebanese borders, there was a commitment on our part at all times. Just as we avoided operations across the Syrian borders for several considerations, we also avoided carrying out operations across the Lebanese borders in accordance with a commitment made by the Arab summit conference and in order not to give the enemy any justification for attacking our Lebanese and Palestinian people.

As far as the Jordanian borders are concerned it is no secret that we made any attempts in the past. For example, during the Lebanon battles we carried out 18 military operations across the Jordanian borders.

I assure you that neither before nor after the war did we stop operating across Arab borders. There are many obstacles. Some patrols get captured and some never reach their destination but our attempts continue despite everything. Military action is the basis of our revolution. Now at this stage and in coordination with the Lebanese national movement we carry out joint operations behind enemy lines. The enemy has so far admitted 360 operations.

[Question] We have heard that there is a Palestinian air force. Why was it not used in the war if it really existed?

[Answer] We in the Palestinian revolution were eager to develop all our military capabilities because we are always aware of the Israeli threat. We tried to obtain what advanced weapons we could from the friends and from the Arab states. Our requests were continuous and urgent but, regrettably, we did not get everything we asked for in that period. For example, we wanted certain advanced missiles from the Libyan brothers but we did not get what we asked for. We also tried to purchase some advanced missiles but failed because those who control the sale of arms in the world did not respond because they subject this matter to certain considerations related to the international balance of powers.

On the question of the air force, we are preparing large numbers of pilots and technicians. We now have large numbers of pilots who have completed their training in a number of states such as Algeria, Yugoslavia, Morocco, Libya and the Soviet Union. These pilots are now working in various parts of the Arab world.

[Question] Why did these pilots not participate in the battle?

[Answer] We make a point of preparing our men but the problem regarding the air force is that we cannot build an airbase in any Arab area. Accordingly it is pointless to acquire aircraft when we have no bases for them. As soon as we get such bases we will immediately begin to use the air force in our military operations. We now have some transport planes necessitated by the

circumstances since our exit from Beirut and since the distribution of our forces in a number of Arab states.

[Question] Is it true that Israel captured a number of Palestinian helicopters in Beirut?

[Answer] If we wanted to talk about what was said in Beirut there would be much to talk about. Israel claimed that it seized hundreds of guns, which is not true. The enemy laid his hands on some stores which were not under the command of the Palestinian revolution. As for planes, I assure you that the Israelis did not capture any planes whether helicopters or otherwise.

[Question] Is it true that during the siege you purchased some missiles from Israeli officers?

[Answer] This never happened. To tell you the truth the flow of arms to us never stopped despite the tight siege and the heavy shelling. We received modified grad missiles, RPG projectiles and other weapons and ammunition by sea and land. Israel is now holding one young man on the charge of delivering missiles to besieged Beirut.

[Question] We have heard that you have decided to end your military presence in Tunisia because you felt that the Tunisian Government was coming under pressure as a result of that presence.

[Answer] It does not please the hostile circles to see the new positions of the Palestinian revolution turned into organization, absorption and training centers. So they fabricate problems and place obstacles in our way to cast doubt and arouse fears in the host countries or they exert pressure. However, I declare on the pages of your magazine that nothing in the attitude of our host brothers indicates such pressure. We have not seen even a single sign of any change in the feelings with which we were received after leaving Beirut. This applies in particular to our brothers in Tunisia, both people and government.

[Question] Is it true that Egypt has agreed to receive a part of the 'Ayn Jalut forces?

[Answer] Nothing of this sort has happened so far. Egypt has not agreed to receive any numbers of the 'Ayn Jalut or any other forces. The Egyptian authorities have informed us officially that they would not allow any of these forces on Egyptian territory.

[Question] It has been reported that King Husayn returned from his recent visit to Washington with certain explanations and details other than what was said in the Reagan plan. Have you seen these explanations?

[Answer] Yes, but whatever the explanations the question remains: What about the PLO and when will the question of setting up an independent Palestinian state arise? The answer is clear: These matters are not a part of the U.S. program. The United States is declaring day and night that it is against an independent Palestinian state and against the PLO.

[Question] Should the United States begin to implement the Reagan plan without PLO participation--that is, through Jordan and some West Bank personalities outside the PLO framework--what would your position be? Would you let matters proceed along these lines, or what?

[Answer] We do not believe that anyone in the Arab world would go alone for any solution. In our dialogue with the brothers in Jordan we found them very determined that any discussion of issues related to political settlement must be in accordance with Arab moves. That is why the Arab seven-member committee was formed by the Fes summit conference. As regards our people in the occupied territory, we are very confident. Our continuous dialogue with some of our brothers there shows that they always rally around the PLO, its leadership and political steps. We do not believe that any Palestinian group would break Palestinian consensus and shoulder the responsibility of unilateral action.

[Question] As the Palestine National Council [PNC] resolutions demonstrated, you refuse to authorize any side to speak on your behalf in any negotiations for a settlement of the Palestinian question. Would you authorize King Husayn to speak on your behalf in talks with the U.S. administration, but not in negotiations with Israel?

[Answer] the PLO is the sole legitimate representative of the Palestinian people. It is the sole spokesman for the Palestinian people. We consider any move by an Arab official to be an auxiliary factor which is not an expression of our Palestinian people's will. At the Arab and international levels the Palestinian people speak through the PLO. That is why we have not authorized anyone, and no one has asked for our authorization, to speak in our name.

[Question] Is it true that Jordan has expressed willingness to receive a number of Palestinian fighters?

[Answer] We are eager to develop our relations with Jordan as well as with Syria and the other Arab countries. As stated by our National Council, we believe that our relations with Jordan are special and distinguished. A number of the outstanding problems between us and the Jordanian authorities has recently been solved. Common grounds have been laid for new relations. On our part we are anxious to develop and encourage these relations.

In the military field we were accorded considerable facilities when circumstances necessitated the transportation of military forces from Jordan to Lebanon to join the battle against the Israeli enemy. The Badr forces reached the battlefield and participated well in the fighting in Beirut and the mountains, proving their combat efficiency. Later on we asked that these forces be beefed up qualitatively and quantitatively and supplemented with fighters from outside. A few days ago we received approval for an initial list of fighters who will be moving to Jordan. We are waiting for a timetable for their departure to Jordan.

[Question] What is Syria's quarrel with you and what is your quarrel with Syria?

[Answer] We always try to discuss matters with our Syrian brothers clearly and frankly. Yes, there are differences of opinion on certain issues. We might have grown farther apart on certain issues, and a so-called dispute occurred.

I first want to emphasize that Fatah and the PLO are always working for normal relations between the Palestinian revolution and Syria. We say that some ideas about this dispute emerged during the Beirut siege and continued after that. The Palestinian view was that we expected Syria to throw all its military capabilities into the battle to break the Beirut siege. The brothers in Syria, because of their own circumstances, interests and concepts, were of the opinion that Syria should not get involved in a battle the time and place of which were dictated by the enemy.

Furthermore the Syrian brothers believed that there was a premeditated Palestinian campaign to belittle their contribution to the battle in Lebanon. As the Palestinian revolution we affirm that the Syrian soldiers and officers who were with us inside Beirut--members of the 85th Brigade--and who were in the western Al-Biqa' and the mountains fought heroically. This cannot be denied or underrated. We are proud of these sacrifices and we affirm that no leader in the Palestinian revolution can belittle the sacrifices of these heroic soldiers and officers.

[Question] How long will this estrangement continue, and what has become of the mediations between you and the Syrian leadership?

[Answer] I say again that we are more unhappy about the continuation of this situation than anyone else. We are not responsible for the delay in the restoration of relations between the two sides. When some Arab leaders and officials move to mend this rift we hold their efforts sacred. I assure you that, in the light of the PNC resolutions, the coming weeks will witness direct meetings between Brother Abu 'Ammar ['Arafat] and President Hafiz al-Assad. In fact, contacts between us and the brothers in Syria in preparation for a summit meeting have not stopped.

[Question] There are Syrian and Palestinian forces in Al-Biqa' and there is talk about an imminent battle. Does this not call for close coordination between you and the Syrian officials?

[Answer] In the military field the relations are normal and there are no problems.

[Question] Abu 'Ammar and other officials have promised to withdraw from Al-Biqa' after agreement is reached on the withdrawal of the Israeli forces, but the question remains: What will happen to the Palestinians living in Lebanon?

[Answer] Regarding the question of withdrawal from Al-Biqa' and the north, our firm position is that efforts should be directly geared toward a push for Israeli withdrawal from Lebanese territory. That is why we have repeatedly declared that the Palestinian revolution will not place any obstacles in the way of such withdrawal and is prepared to do everything to facilitate

that withdrawal. This declaration, however, does not prejudice the necessity of negotiations between us and the Lebanese authorities on a number of issues. The first issue is the safety of our people living in Lebanon, whether they are in the camps or in the Lebanese residential sectors. Furthermore, Palestinian-Lebanese relations should be based on clear foundations defining the nature of a Palestinian military presence and Palestinian civilian presence.

CSO; 4400/281

PALESTINIAN AFFAIRS

PLO OFFICIAL PRESSES FOR FRENCH RECOGNITION

LD081404 Kuwait KUNA in English 1257 GMT 8 Apr 83

[Text] Paris, 8 Apr (KUNA)--A Palestinian official expressed here Friday the PLO's readiness to reconsider the venue of a United Nations conference on Palestine if France agreed to issue a statement of principles "formally and expressly recognizing the PLO."

In a broadcast interview today, the PLO representative here, Ibrahim as-Sus said the PLO is prepared to re-consider the issue of holding a United Nations conference on Palestine at UNESCO's premises here, which the French Government has objected to.

Under a UN General Assembly resolution, an international conference is to meet at the Paris UNESCO offices on 16 August to discuss over ten days the Palestinian question. However, for domestic and security reasons, the French Government had opposed holding of the conference in Paris saying that it has not been consulted beforehand.

As-Sus suggested as exit from the present dilemma, France should publish a statement of principle explicitly mentioning the right of the Palestinian people to take part in the Paris international meet. He assured that the PLO wants to save France any embarrassment and hoped that the French Government would soon extend formal recognition to the organisation.

CSO: 4400/281

PALESTINIAN AFFAIRS

PARIS MAGAZINE INTERVIEWS PLO'S 'ARAFAT

PM081047 Paris LE FIGARO magazine in French 1-8 Apr 83 pp 66-67

[Interview with PLO Chairman Yasir 'Arafat by Robert LaContre in Tunisia--date not given]

[Excerpts] Robert LaContre: Will you head the PLO delegation to the UN conference on the Palestinian question in Paris this summer?

Yasir 'Arafat: No, so far I do not plan to. Mr Qaddumi, head of our organization's political department, will be the boss. The U.S. press states that the French Government is particularly anxious about this conference.

Robert LaContre: Did you not have specific contacts with the previous [French] president?

Yasir 'Arafat: Yes, I was due to go to Paris at that time. French officials had come to see us to plan that visit and to draft the joint communique in advance. I still have the invitation.

Lies

Robert LaContre: For a long time the word Palestinian was synonymous with the word terrorist. You have condemned terrorism, but there are still Palestinians who are responsible for outrages in France and in Europe. Who exactly do you think those people are?

Yasir 'Arafat: You must put that question to the people who have specific ties with those people. The terrorism to which you refer is in fact action directed against the Palestinians. That terrorism works against us. It is an absurd idea into which public opinion has fallen--an idea resulting from Zionist lies and propaganda. Unfortunately it is echoed by some sections of the mass media. How could the French citizens who took up arms against the Nazi enemy--and whom those Nazis called terrorists--believe those lies?

Robert LaContre: Nonetheless a certain Abu Nidal has claimed responsibility for several of those acts of terrorism.

Yasir 'Arafat: Abu Nidal has nothing to do with the Palestinian people. You should put that question to the intelligence services in certain countries.

Robert LaContre: Are you referring to Syria and Iraq?

Yasir 'Arafat: I did not mention their names.

Robert LaContre: What about Carlos?

Yasir 'Arafat: The same applies. We do not really know who he is. Nonetheless your secret services know how things stand.

Robert LaContre: What about the Rue Copernic bomb?

Yasir 'Arafat: I demand that your government tell the truth, because it is unjust to accuse the Palestinians.

Robert LaContre: How do you explain..( 'Arafat interrupted me):

Yasir 'Arafat: We have not yet finished the subject of terrorism. The Palestinian people have suffered numerous massacres, I would even say numerous genocides, since 1948. During the invasion of southern Lebanon we lost 72,000 injured and dead, Palestinians and Lebanese. Eighteen refugee camps were completely razed to the ground. The Israelis even used weapons which are banned by international conventions. According to British police documents Begin and Arens have even been sought by Interpol for a long time as terrorists. I merely recall the statements made by the Israeli leaders during the 3-month siege of Beirut. Did not Sharon say to Peres: "Why criticize me for the bombing of Beirut when you yourself took part in the tall Az-Za'tar massacres?" There is something else. There is the trial of an Iraqi citizen because he had proof that the bombs dropped on the Baghdad synagogue were dropped on the Israeli Government's orders. Furthermore the swastikas painted on Jewish houses in Argentina were a direct action by Mossad. Nor will I ever forget Col Elie Jeva, who resigned to avoid taking part in the Beirut massacres when he looked through his field glasses and saw that he was being ordered to shoot at women, children and old people. Let us not forget what Israeli writer Timermann wrote about Israel's atrocities in his book "The Long War." All that gives me hope. Do you now know that most of the detainees in Al-Ansar camp are civilians? Some 507 people are people who were working for the red crescent. There are very few fighters among the 6,000 prisoners. Philip Habib and I signed an agreement. I released the Israeli prisoners and I handed back the bodies of the dead soldiers. Israel was to release the Al-Ansar detainees in turn before the end of 1982. That did not happen.

Robert LaContre: How do you explain the fact that only Israel and the PLO have democratic structures in the Middle East?

Yasir 'Arafat: I do not think that Israeli democracy has functioned well. The invasion of Lebanon proves that. It is an elite democracy, a democracy of the chosen race which exists in Israel. Consequently, it is a structure which contains racial discrimination. On the other hand I can tell you, and I am

proud of the fact, that within the PLO anybody can express his opinion despite the very complex conditions in which the Palestinians live--60 percent in the Diaspora and 40 percent under occupation. We regard this democracy as an avant-garde experiment. It is a model for oppressed peoples to follow. It is possible to have a democratic revolution even in a jungle of guns. Indeed, our starting point is the following: Slaves do not wage war, slaves are incapable of liberating their homeland. It is free fighters who can fight. I think it is clear that this is because no man can fight for freedom unless he is free. That is why during the Lebanon war our fighters resisted the most powerful army in the Middle East during what was the longest Israeli-Arab war. Despite that sophisticated war machine, Sharon failed when he launched 17 attacks to take Beirut.

Indeed, the PLO institutions, like the "parliament," the Palestine National Council, the cultural, social and health care institutions are among the most important achievements, including moreover the judicial structures and so forth.

**"I Am Not As-Sadat"**

Robert LaContre: You launched a diplomatic thrust following the departure from Lebanon. Why not go further and recognize Israel's existence?

Yasir 'Arafat: Begin himself said that he did not care whether the Palestinians recognized the Jewish state. You know that Syria recognized resolutions 242 and 338, as did Jordan, in order to be able to regain their occupied territories. Egypt, for its part, signed an agreement--the Camp David Agreement--and it did not regain Gaza, which was under its responsibility, or the two islands off Sharm Ash-Shaykh. At the first Fes summit everybody said that if we accepted point 7, in other words the Fahd plan, there would be a radical change. Now, not only did we Palestinians accept that point but the whole Arab world agreed. The result was as if we had done nothing and everything was ignored. The European media said nothing about that agreement and the Israelis for their part rejected the Fahd plan, the Reagan plan and also the European's Venice declaration. That proves that everything the Arabs propose is rejected by the Israelis, who constantly demand more concessions. To speak plainly, I am not As-Sadat. I do not have 44 million citizens and a 1 million-strong army. I do not have Suez. In other words I do not have many cards to play. Now, if I played the recognition card, what would I keep for my people? Is it possible to remain without any political trump card? The Brezhnev plan, for instance, was very specific in its treatment of international law. I have stated that I recognize all the UN resolutions. What more does anybody want?

Robert LaContre: So there is complete deadlock.

Yasir 'Arafat: Yes, there is deadlock because our enemy is given unlimited U.S. support. Furthermore, how can Europe deprive 5 million Palestinians of the sacred right to self-determination? Is not the refusal of our "recognition," of our sacred rights an encouragement to Israel?

Robert LaContre: How can the deadlock be broken?

Yasir 'Arafat: It would be very easy to break it. A very clear European statement would suffice. If Europe adopted such an attitude it would exert pressure on the United States to reach a just and comprehensive solution. But this brings me to the question of whether there is a real desire to find a solution. Why this unlimited support for Israel against the Palestinian people? To the question "how?" I reply: How did Britain arrive at a solution in Zimbabwe? Let us take another example. How was a solution reached in Vietnam and Algeria?

Robert LaContre: Are you not afraid that small Marxist or communist groups within the PLO could threaten your future state's democratic structures?

Yasir 'Arafat: The people who have established a democracy in this jungle of guns have chosen this difficult path. They will not abandon this green oasis in future. The taste and smell of democracy create a special affection. The people are not prepared to abandon that. But it is everybody's right to believe what he wants and what he is convinced of. Since we believe in democracy, it is certainly the people who decide.

Robert LaContre: There is often talk of a Palestinian-Jordanian federation. What precisely is the position?

Yasir 'Arafat: In 1974, when the Rabat summit recognized the PLO as the Palestinian people's sole legitimate representative, the minutes of the private meeting between the Arab kings and shaykhs stated that the Palestinian people were prepared to establish special and preferential relations with the Jordanian people. After the second Fes summit King Husayn put forward the idea of a federation or confederation. During my visit to Amman, I gave my approval to a confederation. The recent Palestine National Council meeting in Algiers approved what had been discussed with King Husayn. This is, therefore, one of the ideas that the PLO is presenting to counter Israeli obstinacy with a view to reaching a just and comprehensive solution, and in particular--when Reagan talks of an association he uses the word "association" in English--we say that this relationship will be based on a confederation. During my visit to Moscow a paragraph on this subject was included in the joint communique. However, the Israeli military clique rejects any proposal in advance and disregards the essential issue in the Middle East conflict, namely the Palestinian people's right. The Israelis cannot eliminate 5 million Palestinians from the map. We are not red Indians. We are a people who have the highest percentage of qualified people in the region. Who is rejecting solutions? We are insisting on international law and on the UN resolutions. We accept the Fes plan. But at the same time Begin rejects all suggestions and proposals, whether they come from the United States, Europe, the USSR, France or the United Nations. Are the Palestinian people going to pay the price of a new Munich?

Israel: A Spoilt Child

Robert LaContre: What is the present situation in Lebanon? Was there not an agreement for the 10,000 Fedayeen in the north, the Syrians and the Israelis to leave that country?

Yasir 'Arafat: There are a little fewer than 10,000 Palestinian fighters. But I do not think that the Israelis want to withdraw from that country. They are delaying their withdrawal. Those who read the article by Haim Herzog, head of the Israeli secret services and now president of the Israeli state, know this: "We must remain in Lebanon." Did Sharon not say: "We must keep a presence in Lebanon" invoking all kinds of excuses related to security. In addition it is necessary to take into consideration the fact that the United States is treating Israel like a spoilt child. But the child has become a monster.

Robert LaContre: Do you draw a distinction between Jews and Zionists?

Yasir 'Arafat: Do not forget that I am a Palestinian and that Judaism is part of my tradition and my beliefs, as moreover Christianity is. What does being Palestinian mean? It means belonging to this holy land. However, the Zionists have poisoned Judaism.

CSO: 4400/281

PALESTINIAN AFFAIRS

FATAH OFFICIAL ON RELATIONS WITH SYRIA, JORDAN

GF181412 Kuwait AL-WATAN in Arabic 15 Mar 83 p 12

[Interview with Salim az-Za'nun, alias Abu al-Adib, Fatah Central Committee member and Palestine National Council deputy chairman, and Fatah representative in Kuwait, by Sulayman Fulayhan and Mustafa 'Ajinah--date not given]

[Excerpts] [Question] What has happened with regard to improving relations between the PLO and Syria?

[Answer] Prior to the convening of the Palestine National Council [PNC] we made every effort to correct the course of relations with Syria. We do not deny that some differences have arisen with fraternal Syria on the way the Beirut battle was run and on its results. However, at the same time, some people tried to exploit these differences in order to widen the gap between the two sides. The Palestinian leadership was serious in its conduct of a dialogue with Syria. Such seriousness was demonstrated in individual contacts and in the formation of a dialogue committee. The committee had not completed its task when the PNC convened. Now, after the adoption by the PNC of resolutions--particularly those regarding Syria--the dialogue will be resumed so that the Palestinian-Syrian struggle can be joined and launched from the same trench. We hope that the final results will be in the interest of our common cause, particularly as the latest contacts augur well.

During the PNC session, Abu Iyad [Salah Khalaf] met with Tawfiq Salihah, who represented Syria at the PNC session. The meeting was positive. I believe that Abu al-Lutf [Faruq Qaddumi], head of the PLO political department, will continue with these meetings within the framework of the dialogue committee. Both the Syrian and Palestinian sides are agreed on the importance of correcting the course of their relations and developing them so as to serve the Arab cause.

[Question] What is the present level of Palestinian-Jordanian relations? What is required of Jordan to support the Palestinian struggle? As a member of the Palestinian leadership did you sense a Jordanian readiness to meet these demands?

[Answer] Relations with Jordan have been discussed at length. If we want to understand this relationship we must recall the past, when it was decided at

the Rabat summit [in 1974] that the PLO is the sole legitimate representative of the Palestinian people. The Palestinian delegation proposed that the relationship with Jordan should be special and distinctive. The Rabat conference decided that a four-man committee should hold a series of meetings to define how efforts should be integrated among Jordan, the PLO, Syria and Egypt. However, the committee met once only. There was a constant evasion of holding further meetings. Matters remained in this state--that is improvement in relations was very slow, and was confined to relations within the Jordanian-Palestinian committee that was set up after the Baghdad summit. This was the situation until the recent Zionist invasion of Lebanon.

Prior to a visit by Abu 'Ammar [Yasir 'Arafat] to Amman that was part of an Arab tour, King Husayn proclaimed a plan for a union between Jordan and the Palestinian people. The PLO responded positively to this call--a call which the PLO believed had come late. When Abu 'Ammar and King Husayn met, their meeting resulted in an understanding that the relationship should be between two independent states, and on the basis of a confederation. This was consolidated during the recent 16th PNC session.

As to the second part of your question, regarding the military aspect, Jordan has not changed its stand since 1970 to this very day. It has not met the PLO's repeated requests to have bases within Jordanian territory that would assist us in escalating our armed struggle against the Zionist enemy in the occupied territories. Now, in view of the impotent Arab stand that resulted from the Beirut battle, I believe that Jordan is not likely to extend to us facilities in this regard. Therefore, we must continue to pursue our special methods that bypass the obstacles in the way of escalating military action from all the Arab fronts bordering the Zionist entity.

CSO: 4400/281

PALESTINIAN AFFAIRS

PLO'S SALAH KHALAF INTERVIEWED ON RECOGNITION OF ISRAEL

LD202217 Budapest Domestic Television Service in Hungarian 1800 GMT 20 Mar 83

[From "The Week" program; Salah Khalaf's remarks in Arabic with superimposed Hungarian translation]

[Text] The Palestinian problem is the key to the situation in the whole of the Middle East. Following the fighting in Lebanon, a process of reappraisal got underway in the leadership of the PLO. This process was also helped by the session of the Palestine parliament in Algiers which "The Week" covered in an on-the-spot report at the time. Besides the spectacular developments which take place in front of the television cameras and press photographers--or, rather, I should say, behind these developments--the distance covered in the thinking of the lawful representatives of the Palestinian people between the departure from Beirut and the present time was far less spectacular but all the more significant. This is what Alajos Chrudinak discussed in Budapest with Abu Iyad [Salah Khalaf], the second most important PLO figure:

[Begin recording] [Question] Following the last meeting of the Palestine [word indistinct] you said: If the United States supports the Palestinians' right to self-determination, you--Hasir 'Arafat and the PLO--are prepared to [word indistinct]. Reagan plan?

[Answer] It was not a question of dealing with Regan's (?concept). I was asked why we should reject everything American while America held the key to a settlement. My answer to the American journalist was as follows: We do not reject any just solutions. Let the Americans come forward with a plan in which they recognize my people's right to self-determination. (?Let them propose) a referendum. Whatever the outcome of that referendum, we will accept it, even if the PLO were to suffer a defeat. Thus the Palestinian people themselves must decide what they want [word indistinct] this should not be carried out by the mayors or others because a referendum should be held.

[Question] That is to say, on the West Bank.

[Answer] On the West Bank and in Gaza. The Palestinian people must decide whether they want a Palestinian state, join Jordan or Israel or whether it is satisfied with autonomy. Thus the Palestinian people should decide their own

destiny. They should decide whether they want the PLO. This is what I [word indistinct] to the Americans.

[Question] Many people raise the question why the PLO does not recognize Israel. What is your view about that? Is a unilateral recognition feasible? [words indistinct]

[Answer] What is my view about (?this). It is blackmail. This is because when we say that we want a [word indistinct] Palestinian state on the West Bank and in Gaza, this is an unequivocal recognition of the fact that [7-minute passage indistinct]. [end recording]

CSO: 4400/281

AMMAN DAILY INTERVIEWS WEST BANK FIGURE

JN280940 Amman AL-DUSTUR in Arabic 28 Mar 83 pp 1, 21

[Dispatch by Muhammad Abu Ghawsh]

[Text] Amman--Hikmat al-Masri, chairman of the Al-Najah University Board of Trustees, has said that the Israeli occupation authorities have confiscated about 60 percent of the occupied lands for various purposes and under all sorts of pretexts. He added that the greatest danger facing our people is the Israeli occupation authorities' acceleration of their steps and programs to impose the fait accompli policy which is manifested in the settlement plans and which is based on eliminating the factors which might lead to the establishment of a Palestinian state in any future solution.

He said: The deteriorating situation in the occupied territory is like a ship that is gradually sinking. Efforts must be exerted to remedy this situation. Perhaps the greatest success that can be achieved is that of putting an end to the establishment of settlements as a prelude to eliminating them in the next stages.

He stressed that Palestinian-Jordanian cooperation is the cornerstone of any future solution. Arab support and any other efforts will be contributing factors, he added.

On the possibility of a new visit to Egypt, he said that this depends on the circumstances and if the need arises he will pay such a visit at any time, adding that the region is now witnessing a period of stalemate and anticipation.

Regarding reports on a Palestinian peace document, Al-Masri said: This document ended with the issuance of the Fes summit resolutions because the principles contained in it were no different from those of the Arab peace plan.

He condemned the U.S. policy toward the [Palestinian] question. He added: We do not trust this policy because experience has taught us that the United States is not serious when it proposes settlement initiatives and plans. Otherwise, how can we explain the increasing U.S. aid to Israel after the invasion of Lebanon and the United States' intention to supply Israel with sophisticated weapons as well as its failure to pressure Israel into withdrawing from Lebanon?

He described the recent European statement as the best statement issued in favor of our cause. However, he added: It is regrettable that Europe neither implements its resolutions and statements nor cooperates with its ally the United States to find the means to implement them. He continued: We do not need statements now because the majority of the world public opinion supports our just cause and sympathizes with us. What we need is a real effort which helps find the desired solution and forces Israel to respect the international community.

On the Palestine National Council resolutions, he said: We have declared our support for these resolutions which embody the unity of Palestinian ranks and emphasize the special relations with Jordan.

On the connection between the next U.S. elections and Zionist pressures with Reagan's ability to implement his initiative, he said: This subject does not concern us. The United States should implement what it proposes if it is really serious.

He praised the Lebanese stand which insists on Lebanon's territorial integrity, people's unity, sovereignty over the homeland and nonrelinquishment of basic interests. He added that it was hoped that the United States would effectively and seriously work for the earliest possible withdrawal of Israeli forces. It is capable of doing this and this is a test of its credibility.

Al-Masri left Amman for the occupied homeland yesterday.

CSO: 4400/281

PALESTINIAN AFFAIRS

PLO RADIO ANALYZES CURRENT PEACE PROSPECTS

JN011926 Baghdad Voice of PLO in Arabic 1532 GMT 1 Apr 83

[Station commentary: "A Cool Discussion of the Peace Prospects Offered"]

[Text] Some circles are now harping on the tune that an opportunity for peace is looming on the horizon and that the Arabs, and the Palestinians in particular, must exploit it. Otherwise the peace train will disappear from the station to be followed by the trains of settlement, deportation and the Zionist fait accompli. Unfortunately, some people believe such talk and blame the Palestinians for not seizing this opportunity and riding the peace train.

No doubt such talk calls for a responsible and objective analysis through which we may try to remove the clouds of delusion gathering in the Arab sky and clear matters so the truth is not lost and the vision will not blur.

First, as Palestinians and as the PLO, representing the Palestinian people, speaking on their behalf and leading their struggle, we openly declare that we love peace, want it and are fighting for it. Naturally, the peace we love and accept is one based on justice. Therefore, nobody has the right to sell a delusion to the people and make the PLO pay the price for it under the allegation that it is rigid and intransigent.

Second, we have searched the Middle East station for a peace train, using searchlights and telescopes, but all we have seen is the train of settlement, deportation, suppression and massacres. Why then do they want us to ride an imaginary train? When we tell them that there is no train, they accuse us of being intransigent and wanting to lose an opportunity.

Third, what is meant by peace opportunity or opportunities? If what is meant is the Fes plan, then we are for it and are enthusiastic about it. If what is meant is the Reagan plan, then before we can say whether we are for or against the plan, we have every right to ask: What are the prospects for carrying out this plan? If we were to put this question to Reagan himself, he would say that he did not know. If we were to put the same question to Begin, he would say that there were no prospects whatsoever for this plan.

Therefore, why do they portray the Reagan plan to us as the gateway to peace when Reagan and Begin, the main parties to this plan, do not respect it and

do not believe that it can be carried out? Even if we tried to go along and say that Reagan is enthusiastic and serious about his plan, would he be able to force [words indistinct]? Reagan was serious when he guaranteed the safety of Palestinian civilians after the departure of the resistance from Beirut. Did his seriousness save the Palestinians and Lebanese from the Sabra and Shatila massacres? Reagan was serious when he announced that he would make Israel withdraw from Lebanon before the end of 1982. Did he stand by his seriousness and word, or is Lebanon still under occupation up to this moment [words indistinct]? Reagan was also serious when he announced his administration's intention to put pressure on Israel to make it stop building the settlements. Has Reagan's seriousness been proved and the settlement stopped, or are matters completely to the contrary?

Can anyone, after all this evidence and the killing of Palestinians and the confiscation of their lands, have the right to say that an opportunity for peace is looming on the horizon and that the PLO is wasting this opportunity? What the people see on the horizon is something completely contrary to peace opportunities. The one responsible for that is definitely not the PLO or the Palestinian people

Therefore, forget about all these delusions, which are false from beginning to end. It may be logical for the United States and Israel to try to fool and deceive the Arabs, but we cannot, as Palestinians and a liberation movement, permit anyone to fool us, whether he be Israeli, American or Arab.

CSO: 4400/281

PALESTINIAN AFFAIRS

'AL-MUSTAQBAL' INTERVIEWS FATAH'S HANI AL-HASAN

JN031329 Paris AL-MUSTAQBAL in Arabic 2 Apr 83 p 11

[From the "Yesterday's News" column]

[Text] I do not believe the Palestine National Council's resolutions have restricted Abu 'Ammar's [Yasir 'Arafat's] [freedom of] movement with Jordan. These resolutions defined relations with Jordan. The PNC decided not to agree to Jordan's moves on the basis of the Reagan plan. The sound basis for any political move must be the Arab peace plan. The future of these political moves is subject to the fate of Reagan's plan. If the Jordanian king succeeds in obtaining good results, his position will be stronger in case there is coordination with the PLO and Arab support.

This is some of what Fatah Central Committee member Hani al-Hasan has told AL-MUSTAQBAL.

Hani al-Hasan added that there are many attempts to disrupt Jordanian-Palestinian relations, for example, by emphasizing the possibility that Jordan might participate in negotiations without the PLO. We believe, however, that there is no [reason to] fear the possibility that King Husayn will join the negotiations alone, because King Husayn realizes that the United States is not capable or does not want to put the required pressure on Israel. The only misgiving we have is that King Husayn may at some point or other refrain from participating in the political moves in the region by claiming that the PLO is not cooperating with him.

What we are facing now and will face in coming weeks will largely affect the future of Jordan and Palestine. That's why we must face our destiny together now. Thus, Jordanian-Palestinian coordination must be clearly maintained.

Hani al-Hasan said: The circumstances that prevented the PNC from approving the formation of a joint Palestinian-Jordanian delegation to the negotiations will perhaps change if Israel withdraws from Lebanon and we may perhaps change our stand.

In reply to a question on relations with Syria, Hani al-Hasan said: We must have a clear new policy toward Syria, to which we are bound by a Catholic marriage. We consider the Syrian army to be the pillar of any military option

against the enemy. Therefore, it is inevitable that we resume clear relations with Syria without any flattery. There should be Palestinian-Syrian-Jordanian strategic cooperation, because they are the primary target and the ones who will decide the future of the region.

CSO: 4400/281

PALESTINIAN AFFAIRS

'ISAM AS-SARTAWI INTERVIEWED BY ITALIAN PERIODICAL

AU111136 Rome ANSA in English 0820 GMT 11 Apr 83

[Text] Milan, 11 Apr (ANSA)--"There are no strategic differences between myself and my colleagues in the leadership of the Palestine Liberation Organization, just tactical ones," slain Palestinian official 'Isam as-Sartawi said in one of his last interviews before he was shot down at the socialist international session at Albufeira, Portugal, Sunday morning.

The interview was granted to the Italian periodical, RELAZIONI INTERNAZIONALI (INTERNATIONAL RELATIONS), on Saturday just a few hours before an unidentified gunman slew down the Palestinian in the hall of the hotel where the international was meeting.

"I think the Palestinians must be very aggressive politically so as to deny the Israelis any excuse for not negotiating," he told the interviewer.

"There is no time to lose. We must take the political initiative into our hands.

"If a people does not rapidly put down riots in the soil, it is fated to disappear."

On the PLO's relations with the United States, he said, "We accept aid from anyone, including the United States, which has above all a dirty conscience because of its unconditional aid for Israel."

On the PLO's relations with Jordan, he said: "Jordan and the PLO have a common fate. We must be united in our struggle.

"Unity is [word indistinct] can help us most in this moment and so every obstacle to Palestinian-Jordanian relations must be overcome."

CSO: 4400/281

PALESTINIAN AFFAIRS

REPRESENTATIVE DISCUSSES PLO-PDRY RELATIONS

Nicosia FALASTIN AL-THAWRAH in Arabic No 448, 5 Mar 83 pp 20-23

[Text] 'Abbas Zaki has spent eight years in Aden. Now Palestinian representative, he actively bustles with confidence and enthusiasm. He comes from the ranks of the young men who are from formerly inactive positions and who have not arrived at leadership positions.

Our representative feels confident about Aden's extreme importance for building Palestinian-PDRY resistance ties. He talks of how the Arab embassies had protested at his being appointed the dean of the Arab, as well as foreign, diplomatic corps.

'Abbas Zaki, Palestinian struggler, member of the Revolutionary Council of FATAH, in the forefront of ambassadors from the men of the PLO, spoke at length to FALASTIN AL-THAWRAH's delegation in Aden. Here is the essence of what he said. "Our forces in Yemen are on firm ground, their mission is Palestinian and world-wide. After Beirut, Aden is certainly the most Palestinian of other places."

[Question] Why was it decided that the capital of PDRY would be the site for celebrating the outbreak of the Palestinian Revolution's 18th anniversary?

[Zaki] In order that the ties for resistance between the Yemeni and Palestinian Revolutions may grow and develop. This played an important role in choosing PDRY as the site to stage the central celebration on the 18th anniversary of the outbreak of the Palestinian Revolution.

Events have shown that the Yemeni Revolution, under the leadership of the Yemeni Socialist Party, has and continues to double its contributions and offerings, side by side with our Palestinian Revolution to all the battles in which we've been engaged. That Yemeni Revolution has taken, in all the political, military, and diplomatic meetings a clearly Palestinian position which was taken in great consideration for all Palestinians, especially after the loss of the arena of the strategic Palestinian-Nationalist Lebanese alliance in Beirut. After Beirut's evacuation, perhaps Aden is the most vigorously supportive capital for the Palestinian cause.

There are here groups of our fighting brethren who left Beirut and came to this place and have been able in this brief period to cooperate with our

fellow men-at-arms in PDRY to organize and arrange their ranks which has left on the military command and the Supreme Palestinian Military Council an impression that our forces on this arena are more effective and forceful than in any other arena where they may continue to be preoccupied with some routine administrative or life-style matters.

There were those--both from the command and from the ranks of the soldiers--who because of this satisfaction [with PDRY] have worked to solve totally the social, organizational, and training difficulties. This was because of the exceptional and progressive relations [we have] with PDRY, and also Yemen's unconditional willingness to welcome the Palestinians regardless of their membership affiliations without vetoing any Palestinian faction. All of these factors had their effect in the Palestinian Revolution's choice of PDRY as the location of the central celebration of the 18th anniversary of the outbreak of the Palestinian Revolution.

We feel that this decision was a wise one, which is in keeping with this region, and our feelings and sympathies--and in order that we could remain faithful to ourselves it was necessary to hold the celebrations in Aden in spite of the distance and the number of those participants who had to come [from afar] for the celebrations. However, that was not really a problem because when we turn to Aden from any part of the world it is as if we were moving from our house to our other house. Since every Palestinian is voluntarily predisposed to building the most cordial of relations with this beloved country which has been so unrestrictedly supportive and honor-bound to our cause, in spite of its limited capabilities, [we chose Aden].

[Question] The presence of troops of the Palestinian Revolution in PDRY has given Yemeni-Palestinian relations a new dimension. How has this presence shaped these relations? And is there a specific character to these relations?

[Zaki] In actuality, relations between the Palestinian and Yemeni Revolutions are relations built on a foundation of firm, undiluted principle which is free of institutional domination or the efforts of public opinion.

The Socialist Party, which rule PDRY, bases its policy on policy statements and communiqus which totally include whatever has defined the path of foreign or Arab relations in the region. In the arena of its foreign relations this party and revolutionary leadership has devoted itself and its stance on the Palestinian cause to being the keystone of the Arab struggle. They have remained steadfast to this.

There are definitely special characteristics which bind us with this land. The most important of them is the nature of circumstances in which it lives. We Palestinians are not required to [respond] to whomsoever offers help and support but our feelings are at a high point for those who through their support and help want to strive for our unity or to get involved in our affairs and in PDRY we find this very same special characteristic. It [PDRY] has only recently begun to need work with its neighbors and the entire Arab world so it can complete its economic mobilization and social

transformation programs. However this country has stuck to the principles and goals which it plotted out. Its faith in the people's future and their struggles' results--people who are committed to the revolution--has required it to take the same position that we have been obliged to take, because it does not accept any conditional support nor is it content with the mere knowledge that this committed resistance position is against interference in [PLO] internal affairs and against influencing its greater revolutionary progress.

We and PDRY believe in the necessity of building the progressive, democratic, Arab society and we consider ourselves to have arrived at one phase of building that society. We and Yemen are both bound to one another by great resistance ties with the struggling comrades in the worldwide revolutionary movement. The PDRY has made great strides in its relations with international Socialism at the head of which is the Soviet Union.

Our relations--as I've felt through my eight years at being in this land--are growing every day, as if you were bringing up a small child and you saw it daily grow and progress in this life; a life so that in preparing him to carry peace and the banner of knowledge until he is worthy of the hopes his family has put in him. Our common relations allow us to say that we are on a threshold of a phase which perhaps shall be achieved, through shared effort, which has moved it truly onto the stage of Arab relations; the house of Arab [solidarity] from collapsing. Let us not forget how Yemeni and Palestinian martyrs embraced each other through the war in Lebanon and the battles for Beirut.

The PDRY is the first Arab country which adhered to all the Arab and international resolutions dealing with Palestine [Palestinian issue]. In 1976 when Palestine [PLO] became a full-fledged member of the Arab League there was an Office of the PLO immediately set up in Aden.

In 1977, I was chosen to be the dean of the Arab diplomatic corps because of my seniority, and in 1978 the Palestinian representative was chosen to be dean of the foreign diplomatic corps as well. And some of the Arab embassies--as I mentioned--started to break the protocol, but the Yemenis' response was "We have kept faith with all of the resolutions which have been taken to achieve Palestinian rights and consequently we consider the ambassador of Palestine [PLO representative] in Aden like the Pope in the Vatican. Therefore, we consider as of today that any ambassador from Palestine will be like the Pope's ambassador, because of all the diplomatic missions existing on our territory because our destiny and call is a revolutionary one, and if we were to support non-revolutionary call that would mean a failure to support the Palestinian cause."

And on the military arena it was completely clear in 1976-68 and especially when the Israeli preparations for its invasion began that the PLO lacked security. As a consequence, without delay, the Palestinian command began asking for arms. It is strange that PDRY was the first to promptly send us advanced weapons which contributed to reenforcing our defenses. I cite

that Yemen was the first to give advanced anti-aircraft guns (100mm guns) by means of which we could defend ourselves [against Israeli aircrafts] from the skies of Lebanon. This security was affirmed by Yemen's presence in our battles. Finally then when the Palestinian Revolution demonstrated to PDRY the need to evacuate its warriors from Beirut in response to the circumstances which had newly appeared on the battle field, our comrades in PDRY were quick to accept [them] immediately; not only unconditionally but the Yemeni leadership offered a welcome to each and every Palestinian warrior who left Beirut.

I don't believe that we have been mistaken in choosing Aden as a place to establish our various activities and associations, especially the steadfastness Association [Steadfastness and Confrontation front]. That is Aden will replace what we lost in Beirut. We are now involved in developing Palestinian and Yemeni capabilities and potentialities together within the framework of our outstanding relations which have superceded the level of ordinary ties between our two nations. The fact is that all of our associations in Aden operate without any interference from our Yemeni comrades. This is not our preference or calculation, but rather it is basically the choice of those comrades who have affirmed repeatedly that they would refuse to interfere in any way into Palestinian affairs even discretely.

[Question] The Palestinian feels the grandeur of Aden, and senses its generosity, and its historic role. Comrade Abu 'Ammar announced in his speech on the Revolution's outbreak anniversary: "Our forces in Aden will make up the core of a Pelstinian force for rapid deployment to bring victory to national liberation movements in all parts of the globe." Could you explain this new Palestinian posture?

[Zaki] He does not mean that our exit from Beirut is the end of our struggle. We have lost a position. A part of our forces were transferred to a secure land to the outstretched arms of the Yemeni masses. The military command since our exit from Beirut has been busily engaged in searching for the ways to develop our armed struggle and to define the routes leading there. When the commander-in-chief announced that our forces in Yemen will form a rapid deployment force to help the liberation movements he only meant by that the creation of forces which would be able to have mobility to move to the primary battlefield to take its resistance role in the battle in which it is now engaged against imperialism and Zionism--as well as to combat the great attacks which are launched against our Palestinian columns. When we define our enemies and our friends we are concerned with the active clash between the enemy forces and our Palestinian Revolution. We want to make certain that those who left Beirut with their heads held high did not come here to relax or wait. But instead they came to prepare themselves to carry on the revolution and continue the armed struggle. The operation to transfer these forces to any battle field to fight against the enemy is the only intervention that our commander-in-chief meant in his speech.

The entire world has already put on record for us that there is not any liberation movement or revolution in any place in the world with which we have no favorable relations with, and we to which have not hesitated to offer the greatest possible assistance; such is the case since it is unacceptable that we ask the world to support our cause without our supporting just causes elsewhere in the world. This is almost what Comrade Abu 'Ammar meant by Palestinian forces intervening to help these movements and revolutions to victory. He has previously announced publicly that we are present in Nicaragua for instance [despite American objections] to spite America, and we're present elsewhere.

[Question] What about the role of the PLO Office here in the preparations of the Revolution's celebrations?

[Zaki] Our resources are limited, and the event was beyond our means. A Yemeni-Palestinian High Committee was formed and this committee acted in cooperation with other Palestinian committees for about 20 days in a way that permitted them to pursue the appropriate measure of preparations for the celebrations in the country.

We in the Office participated in organizing the march of torches and in sending the invitations which covered all of the provinces of PDRY and for setting up the athletic competitions for the Palestine Cup. We also set up production enterprises and organized parties and Yemeni-Palestinian celebration events.

At the same time Aden witnessed three different conventions. Here we must also mention that there were many facets to the celebration which were abruptly stopped in consideration of our feelings towards our brethren in North Yemen who almost perished as a result of the disastrous earthquake there.

The Yemenis assumed a large role in all of this. They helped us by putting everything at our disposal.

[Question] The celebrations of the Palestinian Revolution on the 18th anniversary of its outbreak occurred concurrently with meetings of the executive committee, the revolutionary council, and the central committee of the Fatah Movement. In your position as a member of the Revolutionary Council of the Movement, how did you find the results of those meetings?

[Zaki] These meetings were preceded by the meeting of the Palestinian Military Command on 4 December 1982, and it was the meeting where the historic policy statement was issued which drew up a document defining Palestinian directions in the coming stage of the Revolution.

The last Aden meetings were very significant from the point of view of affirming the preparation for building and reaffirming the Palestinian Revolution. The Palestinian military command stopped in Aden--at a time when it was facing recent events that have materialized and at a time when it was facing important tasks which must be accomplished and achieved--on

the evening of convening the Palestinian National Council. It came out with a declaration reaffirming that there was no place for betting on the break-up of the Palestinian cause.

It had already concluded an agreement on the entire set of issues which had been proposed and it agreed to hold an executive committee meeting on the 10th of February 1983 in Algiers to include the National Council in a common united policy.

The leadership was deadlocked over whether to activate our military forces and considered the significance of having 3-4,000 Palestinians in Aden. These same troops came to announce their allegiance to the PLO and they affirmed that they were assembled round the liberation movement whatever the consequences and whatever the difficulties.

A study was completed and a Palestinian plan was defined. The Revolutionary Council of the Movement (Fatah) had already discussed the entire set of general issues which recently have appeared on the Palestinian arena. It listened to the report of the Central Military and Political Committee and to some of the important developments in different areas. It undertook an entire range of decisions to reinforce national unity such as the chief principle of the Palestinian struggle, and the issue of armed struggle as the strategic means to liberate our land. The Revolutionary Council determined the relationship we ought to have with our allies and friends.

The military command meetings were held in Aden in an air of some doubt that there would be a splitting up of the PLO. These decisions have squelched those doubts and instead these meetings confirmed the unity of the PLO's representation. The final character and arrangements for our forces in Lebanon were discussed and the role charged to these forces was clarified. Decisions were taken which were meant to enable the movement to help the National Council to succeed during its meeting to arrive at a political introspection to reorganize our Palestinian movement in the coming stage. I believe that the Revolutionary Council meeting has established an essential and historic model for our movement which should help enable it to take hold of its own affairs. Our meeting was characterized by a lofty democratic spirit which perhaps is not manifested in any other party or movement.

[Question] Mr. 'Abbas Zaki, what is your opinion of the assortment of political programs proposed for the region, such as the Reagan program, or the resolutions of the Fez Summit, or the Confederation (proposal)?

[Zaki] That what has been proposed to the Palestinian Revolution cannot be considered a good oman. For example, the Fez Summit: When we demand that the Arab position upholds the Fez Summit we only consider such a position, an overreaching Arab cause [limitation] and unrelated to the Palestinian position. While we hold a position which basically runs completely counter to the current deplorable Arab reality, we are concerned with carrying on this overarching cause and we are working as well on developing the masses' role to pressure these leaders to leave this Fez sphere which fetters the armed struggle.

The Fez Summit served as internationally by laying down a unified Arab position which recognizes us and demands that Israel withdraw from Arab land that it has wrested by armed force. But we are not at harmony with this overarching (position).

As for the Reagan Program, we have a clear position with regard to it. Namely we reject all "liquidation" programs which are epitomized by Reagan's program. We rejected Camp David, and we fight against it today.

As for the Brezhnev Program, we regard it as being in need of further development, and we demand that the stance of the Soviets and our friends in the world be no less than the partition resolution of 1948, so as to permit us greater flexibility in conducting the international struggle in which we are engaged. We have a clear position, namely building firmer ties with the Socialist countries, especially after the events of Lebanon when Brezhnev himself announced that what happened in Beirut was no less than superhuman.

As for the Confederation and the Palestinian-Jordanian meeting we have decided on the position that it is necessary that there be a relationship with Jordan and that this relationship be established on a confederated basis which would be concluded between two independent nations. It is impermissible to contemplate less than this horizon according to the relationship which has now been arranged and concluded between Jordan and Palestine PLO . These are future relations, and every effort is to be made for what comes after Palestine's liberation, that is, after Israel withdraws from the lands occupied in 1967 where this independent Palestinian nation will have the freedom to enjoy a flag, an army, as well as political freedom and an independent foreign policy. Everything which is being said about this relationship [with Jordan] that precedes the establishment of an independent Palestinian state has no foundation in our Palestinian Revolutionary dictionary.

I feel that all the proposed programs are not inclined to advance the defined Palestinian program for the liberation of Palestine.

9587  
CSO: 4404/277

SAUDI ARABIA

SAUDI PAPER SCORES U.S. POLICY ON ARAB INVESTMENTS

PK071031 Riyadh AL-JAZIRAH in Arabic 21 Mar 83 p 10

[Article by Dr Ibrahim Ahmad 'Ubayd: "'Sante Fe': The Issue and the Political Implications"]

[Excerpts] A press statement by the U.S. Department of the Interior issued on 10 March said the following:

Secretary of the Interior James Watt has announced that he has decided that Kuwait is a nonreciprocal nation in accordance with the 1920 law on leasing land for oil and gas exploration since the Gulf state exercises a discriminatory policy against American citizens and companies.

This decision means that Kuwaiti citizens and companies, especially the state-owned oil establishment, generally have no right to obtain franchises for exploration for oil or gas on federal land in accordance with the provision of the law on leasing land for oil and gas exploration.

Watt said: "I have come to this decision after a thorough study of records based on facts analyzed by law experts of the Department of the Interior as well as by experts in leasing land for exploration for mineral wealth. Since we are committed to internal and external free trade, we cannot overlook practices that deny Americans what is allowed to citizens and companies of another state."

Watt added that he will reevaluate his decision if Kuwait takes positive steps to change its "discriminatory" policy and provides evidence that the problem no longer exists.

Section one of the law on leasing land for exploration for mineral wealth allows citizens of other states to invest in leasing land in order to search for mineral wealth. The federal government issues the necessary permits if shares of American companies are purchased. The law imposes restrictions on this right to invest with the following stipulation: "Citizens of other countries whose laws and regulations ban citizens and companies of this country (the United States) from enjoying similar concessions, cannot through purchasing, owning, or controlling shares obtain the lease concessions provided for in the provisions of this law."

During the seventies Kuwait nationalized most of the oil establishments in the country and bought the concessions of American companies or forced them to sell. Department of the Interior records show that by the end of 1977 there was no American company with an exploration concession in Kuwait. Nevertheless, the concessions obtained by Japanese, Anglo-Dutch, or Spanish companies were not affected by the nationalization. Indeed the Japanese company is still operating in Kuwait under a concession it obtained.

The official decision issued by Watt said that "at present there is no American citizen or American company that owns or can own under Kuwait's present policy any concession in Kuwaiti oil resources despite the fact that companies belonging to other countries are given such concessions. These companies in actual fact do own such concessions. This discrimination against U.S. interests means a bar on enjoying the reciprocal concessions stated in section one of the law in question."

The U.S. Department of the Interior concluded its press statement by saying that in 1982, in accordance with a specific request for a review of laws and regulations in force in Canada, Sweden, and Cyprus, the department has found that these countries do not prevent the enjoyment of such concessions as those provided for in the section in question.

On the basis of these submissions the U.S. Department of Interior, represented by Secretary of the Interior James Watt, took a decision banning any company belonging to the State of Kuwait from owning any interests in oil and gas concessions granted for the purpose of searching for oil or gas on federal land. This decision in fact carries with it serious political and economic implications for the Arab oil-producing countries as a whole, most important of which is to find loopholes in the "laws" and place obstacles in the way of the Arab attempts to "actually" participate in economic life inside the United States with the aim of curbing Arab influence inside the United States.

#### Background to the Case

The reader would recall that in 1981 the Kuwaiti Petroleum Establishment was able to own Sante Fe International by buying the majority of its shares for \$2.5 billion.

The Sante Fe company, whose headquarters is in California, is one of the major companies specializing in oil exploration.

Mr Shannon, chairman of the board of directors and executive director of the company, said in a comment on the secretary of the interior's decision:

The information on which the decision in question is based is wrong in view of the fact that the State of Kuwait systematically and fairly ended all foreign ownership in the seventies. Today there is not a single foreign company in Kuwait that has on-shore exploration concessions. In other words, Kuwait has not practiced any discrimination against American citizens and companies and, indeed, has treated everybody equally and without discrimination."

He added that "as a result of this situation the company will find itself obliged to cancel its plans for investments totaling \$50 million in the exploitation of concessions on federal land."

It must be pointed out here that in December last year the U.S. Department of the INterior conducted a study of the prevailing laws in Kuwait which showed that Kuwaiti laws and regulations do not ban American citizens from owning companies having concessions in Kuwait.

It appears that this preliminary study which took place last December and which showed that there is nothing to prevent American individuals or companies from owning shares in companies that have concessions in Kuwait was put aside. This necessitated another study of the same subject last January which showed quite the opposite results. There was due to Zionist pressures in the shape of the campaign the American-Jewish Association waged against Kuwait, alleging that Kuwait discriminates against American citizens and companies. For this reason Alfred (Mozas), chairman of the American-Jewish Association, asked James Watt to ban Santa Fe from exploiting federal concessions in accordance with the 1920 law, which led to the issuance of the Secretary of the Interior James Watt's decision in question.

#### Repercussions of the U.S. Decision

Mr James Watt's decision shocked and surprised Kuwait in particular. Some Kuwaiti officials compared it with the U.S. decision freezing Iranian funds in American banks in 1980 in response to the Iranians' occupation of the U.S. Embassy in Tehran. Dr Muhammad Ar-Rumayyih, editor of the Kuwaiti magazine AL-'ARABI, said in comment:

"The people were alarmed and started wondering what the United States wants. We depend on our investments in the West, but you (Americans) are directing your blows at the lifebelt to which we are clinging. Today it is Santa Fe and tomorrow it will be something else."

Obviously the secretary of the interior's decision did not say whether Santa Fe International will be allowed to continue exploiting the concessions granted to it on federal land or whether there is anything to stop this. However, this case itself involves political and economic implications to which we must point out:

First: The alert Zionist lobby which penetrated all U.S. Federal Government organs is working day and night to oppose all Arab attempts to participate constructively in U.S. economic and political life in the United States.

Second: The attempts to hamper the activities of Santa Fe International, which belongs to the Kuwaiti Petroleum Establishment, are not the first of their kind. The Securities and Exchange Commissions [SEC], an independent body under the U.S. administration, headquartered in Washington, which keeps records of bonds offered for public sale and punishes those who violate the laws, has consistently tried to prevent the completion of this deal by Kuwait by accusing some company officials and some Kuwaiti investors of having

bought shares in the company on the basis of secret information allegedly leaked to them about the Kuwaiti Government's intention to buy a majority shareholding in the company: and since such an accusation, if proved true, is considered a violation of U.S. federal laws, they were hoping to abort the Kuwaiti Petroleum Establishment's operation to own the Santa Fe International company.

Third: It thus becomes evident to us that the rules and provisions of the 1920 law on which James Watt based his decision applied only to companies carrying out on-shore oil exploration. And since at present there are no companies operating in this field on Kuwaiti territory, the information on which the U.S. secretary of the interior based his decision is unfounded. Therefore, the legal pretext for taking this decision is not valid. The decision has clearly and openly exposed the trickery and distortion aimed at preventing the expansion of the Santa Fe International company in order to curb the spread of Kuwait's influence in the field of petroleum economics in the United States.

Once again history records that the Zionist lobby, which has penetrated the most influential U.S. Federal Government organs, has once again succeeded in opposing purely economic operations which in fact are to the advantage of the United States because the Kuwaiti Petroleum Establishment intended to inject \$1 billion in Santa Fe's budget with the aim of exploring for oil, which would contribute to revising the U.S. economy. It must be said here that the U.S. secretary of the interior's decision has come at a time when the Arab world is feeling greater bitterness and frustration with U.S. policy in the Middle East after many questions have been raised about the aims and objectives of this policy.

CSO: 4400/277

SAUDI ARABIA

RIYADH CRITICIZES FRENCH OPPOSITION TO PARIS PALESTINE CONFERENCE

LD051547 Riyadh Domestic Service in Arabic 1130 GMT 5 Apr 83

[From Samir Habib analysis]

[Text] Observers believe that the pressures brought to bear by world Zionism and its organization on the EEC member countries including France, and the Zionist organization's threat to amass 50,000 Jews from all over Europe in Paris streets to demonstrate against the holding of a world conference on Palestine at the UNESCO headquarters in Paris on 16 August, were the real reason behind the French Government's opposition to the convocation of the international conference on the Palestine question in the French capital.

The question is, does the French Government accept being subjected to such Zionist blackmail and allow the Zionist organizations to detract from the sovereignty of a free country like France? The answer to this question will be seen through the future attitudes of the French Government toward the Arab-Israel conflict in the Middle East in general and toward the holding of the international conference on the Palestine question in particular.

It should be pointed out in this regard that there are 4 million Arabs living in France. But the Arabs respect the French laws and do not threaten the French Government with demonstrations in the streets to denounce its attitude, as world Zionism does. World Zionism is accustomed to blackmail and terrorist methods.

If we were to say anything at all to the French Government it is that we recall it did not express any opinion during last September's general debate at the UN General Assembly when the draft resolution proposing the holding of the conference at the UNESCO headquarters was put to the vote. This means that France has agreed to the holding of the said conference.

The world community today calls on France to respect the UN resolution on the conference on the Palestine question to be held at the UNESCO premises in Paris, particularly as the UNESCO area constitutes an international area, and thus the French Government has no right to prevent the holding of an international conference there.

CSO: 4400/277

DAMASCUS RADIO ON FAILURE OF JORDANIAN-PLO TALKS

JNI21814 Damascus Domestic Service in Arabic 1115 GMT 12 Apr 83

[Station commentary]

[Text] Anyone who is following the U.S. statements which followed the Jordanian Government's announcement on severing its contacts with the PLO, which insisted on rejecting Reagan's plan and adhering to the Palestine National Council [PNC] resolutions and the recent Fes summit principles, will clearly discover the state of confusion which the U.S. administration is experiencing following the strategic setback it sustained as a result of its failure to replace the Fes summit resolutions with the Reagan plan and thus expand the Camp David circle. Despite his disappointment over the failure of his initiative so far, Reagan still claims that this initiative is not dead. U.S. Secretary of State Shultz said that President Reagan insists on rescuing his initiative, and that Washington will not suspend its efforts to achieve the settlement which it wants in the region. Between disappointment and hope, Washington did not forget to make threats by stressing that it will achieve its objectives by using different methods. Can these methods be anything other than the use of more pressures and launching more aggressions against the Arabs to impose its hegemony on the region?

The strategic setback to which Reagan's initiative has been exposed, has confirmed a number of facts: First: The failure of the wager that Washington alone can determine the future of the region. Second: The capitulation course, which is supported by the United States and the forces which are linked to it in the region, does not possess any foundations to be the alternative to the pan-Arab commitment of not relinquishing Arab rights, and that a just peace must be based on the liberation of all the occupied Arab territories and the safeguarding of the Palestinian people's national rights, including the establishment of their independent state. Third: Syria's stand as asserted by leader Hafiz al-Assad and which does not allow to liquidation of the Palestine question and imposition of capitulation on the Arabs, is the effective embodiment of the Arab masses' will to determine the future of the region by destroying all conspiracies and foiling all suspect plans which aim at subjugating the Arabs and bringing them within the circle of Zionist-U.S. influence and control. Finally, the steadfastness of Syria, the firmness of its pan-Arab political line in confronting the Zionist-U.S. onslaught and its emphasis on the need to adopt an Arab stand in the face of the capitulation course, has

foiled the scheme whose objective was to create a new deterioration in the Arab situation by having other Arab parties join the negotiations with the enemy.

In light of these facts brought about by the conflict, the United States would be committing a big mistake if it imagines that the Arab region is a vital field on which it can impose the course it wants. Washington has imagined that the Israeli invasion of Lebanon will remove all obstacles from the way of its settlement plan, but facts have shown that the confrontation line represented by Syria is too strong and solid to be uprooted by aggression. Moreover, this course is the one which has stiffened the Arab stand and given it a great international support, especially by the forces of socialism and progression in the world, foremost among which is the friendly USSR.

Today, when Washington speaks about new opportunities and methods that it will seek to remedy the gap in its strategy, and when it seeks to attack the PLO because it rejected Reagan's plan and adhered to the recent PNC resolutions, it possesses only the threat to commit aggression against its policy has suffered a strategic setback. It imagined that its encouragement to the PLO to practice moderation would put the reagan plan around the neck of the Palestinian people.

In short, the U.S. plans for hegemony will not pass in the Arab region. The disappointment in Washington is an indication of the failure of U.S. attempts to generalize the capitulation course to apply to all Arabs. It is also an indication of the triumph of Arab steadfastness.

CSO: 4400/280

SYRIAN MINISTER ON LEBANON, SOVIET TIES

PM151559 Damascus TISHRIN in Arabic 7 Mar 83 pp 3, 9

[Interview with Syrian Information Minister Iskandar Ahmad Iskandar by Hasan Sabra, chief editor of Lebanese weekly ASH-SHIR'A', on 27 February, reproduced from the weekly]

[Excerpts] [Question] Mr Minister, the Lebanese Government says that there is no problem regarding the Syrian military presence on its territory compared with the problems of the Zionist occupation. What did you offer the Lebanese Government in this regard?

[Answer] You know that the Syrian forces entered Lebanon in response to the legitimate Lebanese authorities' request and to appeals for help from the Lebanese people so that the forces could participate in putting an end to the bloodshed during the Lebanese civil war.

Our forces' stay in Lebanon depends on the Lebanese Government's official request and is based on the Arab summit resolution in 1976.

Our forces there are the forces of the legitimate Lebanese authorities. They are operating in the interest of Lebanon in order to enable the Lebanese Government to evict the Israeli invasion forces from all Lebanese territory without any conditions.

Syria and Lebanon are twins and therefore Syria's security and Lebanon's security and the Lebanese national interest and the Syrian national interest are one and complement each other. Anything that jeopardizes Lebanon's sovereignty over all its territory and anything that affects Lebanon's security in any way is also aimed against Syria and its interests.

We want security for Lebanon and we give it support in this regard. We ask our Arab brethren and friends in the world to support Lebanon just as we support it so as to enable it to reject the conditions Israel is trying to dictate to the Lebanese Government.

The Israeli forces must withdraw immediately and unconditionally from all Lebanese territory. This is our stand and we are doing all we can to achieve this goal.

[Question] There has been increasing talk recently about the development of the Syrian defense capability vis-a-vis Israel. Is this talk some kind of Israel blackmail or a precaution against new events in the military field?

[Answer] Israel occupies the whole of Palestine plus the Golan Heights, as well as, to this day, a part of Egyptian territory. It also occupies about one-third of Lebanese territory. Regardless of the governments and parties that rule Israel, it has a constant strategy according to which it acts. Changes of rulers and governments do not change these strategy constants. These constants aim at building an Israeli military society and enabling this society to take every opportunity to further expand into the Arab territories. Therefore we are in a state of war with Israel in order to recover our occupied territories and protect our peoples against new massacres committed by the Israeli forces.

The Israeli Government is based on an aggressive, racist and expansionist structure. We must confront this expansionist, aggressive and racist trend in order to defend ourselves, recover our usurped rights and liberate the occupied territories. Therefore we are building ourselves up with the help of our brothers in the Arab homeland and of our friends in the world, especially the socialist bloc, headed by the Soviet Union, so as to be able to deter any future Israeli aggression. The Israelis are daily threatening Syria and have the arrogance of power. They are racist and imagine that they can dictate surrender to the Arabs. These racist and Nazi illusions that pervade the Israeli leadership must be confronted strongly because there can be no stability and security in the Middle East as long as there is Israeli occupation and as long as Arab rights are usurped.

[Question] Has the development of Syria's military capability come as a result of the outcome of the war in Lebanon, and what effect did Andropov's coming to power in the Soviet Union have on this?

[Answer] We always seek to develop our defense capabilities in various circumstances. The United States gives the enemy the most modern weapons, which are used against us in Beirut, in Syria and elsewhere in the Arab world. Therefore we must have the capacity to confront the enemy and to deter so that we do not find ourselves in the same position in which our brothers found themselves in the Sabra and Shatila Camps.

[Question] President Hafiz al-Assad said that it was fortunate for the Arabs that Andropov came to power at this time. What does this mean?

[Answer] You know that we have excellent relations with the Soviet Union. These relations date back to ancient history, to shortly after Syria's independence. Syrian-Soviet relations have developed into a strategic friendship and the signing of a Syrian-Soviet treaty of friendship and cooperation 2 years ago.

We differentiate between those who support our just cause and those who participate with our enemy in all the crimes that he perpetrates against our cause and our people. Certainly the Soviet Union is a strong and sincere ally that

sides with the just Arab cause. It gives us the means by which we defend ourselves against invasion and continued aggression. Therefore we are always grateful for the Soviet Union and its sincere stands with the Arabs.

[Question] Recently there were reports of a secret visit by President Hafiz al-Asad to the Soviet Union. Is this rumor true?

[Answer] It is natural for there to be an exchange of visits between Syrian officials and Soviet officials, but with regard to this matter [the secret visit] it did not take place recently.

[Question] But his excellency the president met with Andropov before and after he took office. Was it perhaps during Brezhnev's funeral or after that?

[Answer] He met him before and after.

[Question] Do you feel that there is a Soviet development or a Soviet initiative?

[Answer] The Soviet Union constantly supports the Arab cause and our struggle and is firmly opposed to the Israeli aggression and continued occupation of Arab territories. The Soviet Union clearly states its views regarding the Palestinian problem, which is the core of Arab struggle.

[Question] Why this uproad about the presence of Soviet advisers and new missiles in Syria?

[Answer] The United States is seeking to dominate the Middle East region and is a partner with Israel in the crimes it commits against the Palestinian Arab citizens under occupation and Arab citizens outside the occupation. They want to impose surrender on the Arabs and imagine that this time is particularly suitable for them to dictate terms of surrender to the Arab countries. Therefore they feel that any attempt by the Arabs to reject surrender and to strengthen Arab defenses and the Arab military option against the continued Israeli aggression against the Arab countries and the Israeli occupation constitutes a danger to them. In fact the danger stems from their own aggressive designs. They kill, strike at, destroy and invade the Arab area but deny the Arabs the right to have the capability to respond to aggression and to defend themselves, and particularly to deter Israeli attacks. This is a new form of Nazism, fascism and neocolonialism using old methods. This is what the U.S. administration and the Israel Government stands for and what they would like to impose on the Arab governments.

[Question] Recently you paid a visit to Tehran and you met with the Iranian president. Later you paid a visit to the Saudi Arabian Kingdom. Is Syria playing a special role between Iran and Saudi Arabia or between Iran and the Arab Gulf countries regarding the Gulf war?

[Answer] The Iranian leaders have constantly expressed their wish to have ties of friendship and cooperation with all the countries of the Arabian Peninsula, foremost among which is Saudi Arabia. Delegations from the Arab Gulf countries

and the other Arab countries visit Syria. We have been seeking and continue to seek to create a suitable atmosphere that would enable the establishment of excellent relations between Iran and the rest of the Arab countries. The desire for such relations is mutual on the part of everybody. Any effort toward this end is based on a common desire to achieve such relations.

My visits to Tehran and Saudi Arabia were for somewhat special goals.

[Question] Can they be divulged?

[Answer] No, they are somewhat special.

CSO: 4400/280

SYRIA

SYRIAN MINISTER CRITICIZES USSR

JN071205 Jerusalem in Arabic to the Arab World 1130 GMT 7 Apr 83

[Text] Arab sources in the Gulf said that Syrian Information Minister Ahmad Iskandar Ahmad has recently strongly criticized the increasing Soviet intervention in Syria.

The Kuwaiti newspaper AL-MUJTAMA' said that Ahmad Iskandar Ahmad expressed this criticism in the form of a question in which he wondered if it could be believed that the Soviet experts in Syria are working in construction and economics and are not interfering in Syria's internal affairs.

These sources noted that there are increasing signs of Ahmad Iskandar Ahmad's possible dismissal as minister of information in the wake of this criticism.

It also seems that Syrian Culture Minister Dr Najah 'Attar has gradually begun to replace him, as she has recently repeatedly appeared as an official spokesman for the Syrian Government.

CSO: 4400/280

SYRIA

'AL-BA'TH' ON STRENGTH OF ARAB-SOVIET RELATIONS

PM301303 Damascus AL-BA'TH in Arabic 27 Mar 83 p 1

[Editorial: "Arab-Soviet Relations Will Be Further Consolidated"]

[Text] President al-Asad yesterday once again confirmed Syria's attitude toward what has happened and what is happening in the area and what the imperialist and Zionist forces are trying to impose on the area through military force and with the help of some of their stooges.

Events have shown that there are some people in the Arab homeland who still say that "the danger threatening the area is the Soviet Union" despite the well-known fact that the Soviet Union has always been and still is on the side of the Arabs materially and morally in all the stages of their struggle against the imperialist backed Zionist invasion. And also despite the fact that successive U.S. administrations are primarily responsible for what has befallen the Arabs at the hands of Israel since the emergence of the Zionist entity and up to this day.

Syria, which has suffered and is still suffering from the imperialist-Zionist aggression, yesterday affirmed through its struggling leader Comrade Hafiz al-Asad that the danger to the area, contrary to what is being alleged by some people, is posed by the United States and Israel in particular. We do not need to go far to find evidence for this, for the Zionist invasion of Lebanon, which all evidence indicates was carried out in agreement with Washington, is the best proof that Israel and the United States are the real danger to the area and to its security and future.

The imperialist and Zionist forces, using all the means at their disposal inside and outside the area, having tried to harm Arab-Soviet relations. The purpose behind this is quite clear: Washington, after managing to strip the Arabs of some of their arms, indeed their most important arm which is their solidarity against the policy of aggression and expansion, has been making efforts to strip them of all their remaining arms, as represented particularly by their loyal friend the Soviet Union. But the Arab masses, which sensibly realize the significance of developing Arab-Soviet relations, will not allow anybody to detract from or harm the existing militant relations between the progressive Arab forces and the Soviet Union. Syria, as leader Al-Asad affirmed yesterday, strongly adheres to the existing friendship with

the Soviet Union and is earnestly working to develop it because it realizes that, first, this is the real interest of the Arab struggle and, second, in the interest of world peace and freedom.

Thus, despite all the pressure, blackmail and threats of more destruction, mass killing, occupation and expansion by the imperialist and Zionist forces with the support of some stooges in the area who have accepted humiliation and treachery, Syria will continue to pursue its national militant political line and to reject the policy of pressure, blackmail and threats, and in so doing it depends on our masses and their friends in the socialist bloc countries, foremost of which is the Soviet Union.

As the leader, Al-Asad, affirmed, we are confident of achieving our goals and thwarting all the imperialist and Zionist plans that aim at swallowing the Arab land bit by bit, and that Arab-Soviet military relations will be further consolidated.

CSO: 4400/280

SYRIA

SYRIAN DAILY ON CURRENT PEACE MOVES IN REGION

JN091050 Damascus SANA in Arabic 0805 GMT 9 Apr 83

[Text] Damascus, 9 Apr (SANA)--TISHRIN says that when the Fes summit resolutions were adopted under the name of the Arab peace plan and the political moves began to put the world in the picture of the Arab nation's desire to achieve a just peace, the Arabs agreed that these resolutions would be the minimum level which could not be relinquished.

In its editorial today under the headline "The Level of Dignity" TISHRIN adds: This agreement took place on the basis that the minimum level on fateful issues such as these is considered as the level of dignity which means that any bargaining on this minimum would be considered as a relinquishment of pan-Arab dignity and any relinquishment of this level of dignity would necessarily lead to endless concessions and capitulations, particularly that the Fes summit had not dealt with the strategic alternatives which should be adopted if Arab peace efforts fail. We are sure that the United States and Israel are seeking their own peace and that they are exerting their efforts to impose their hegemony on our nation and homeland in such a manner that would categorically contradict the principles of the Fes summit resolutions. When we warned against the maneuvers to void these resolutions of their minimum level so that they would become more amenable to a humiliating bargaining, we were well aware of the gravity of the matter and of its repercussions on our credibility as Arabs in the international arena and on the trust that the world may have in our decisions and principled stands.

The paper adds: The current moves can have only two explanations, both of which are bitter: the first is that the Fes summit resolutions were imposed on some Arab regimes which reluctantly accepted them to avoid exposure by the Arab masses given that these resolutions are the minimum that can be accepted by the masses. These regimes are not enthusiastic about the implementation of these resolutions. On the contrary, they are waiting for the opportunity to disavow them and shirk their pan-Arab responsibility toward these resolutions. This is what they are doing in practice.

The second explanation is that they seek to generalize treason by announcing their capitulation to Israel under an Arab cover and various titles, of which we are aware, so that they would not be the only traitors of the cause of the nation and that of the Palestinian people. They seek the capitulation of the

entire nation, particularly Syria which is leading the Arab struggle of steadfastness and confrontation. That's why they are feverishly appealing to grasp this golden opportunity to join the Camp David course and submit to the U.S. administration's will.

TISHRIN stresses that both explanations are a pan-Arab catastrophe and will lead our nation to certain death and to its final capitulation.

TISHRIN says that the strange thing about these regimes is that they have removed from their calculations the other options and alternatives and all the other weapons which they may use in the battle such as the military option, the assets and the other available options.

TISHRIN concludes: They are seeking unconditional capitulation and are rejecting a peace with conditions. In any case and under any circumstances or threats, we shall not permit the level of dignity to be harmed because there can be no life without dignity. There can also be no life with capitulation and humiliation.

CSO: 4400/280

'TISHRIN' ON IMPORTANCE OF MIGHT TO BACK RIGHT

PM082253 Damascus TISHRIN in Arabic 3 Apr 83 p 8

[Marwan al-Mahayni article: "Balance: Syria's Number One Concern"]

[Excerpts] Perhaps we will not be repeating ourselves if we once again underline the fact that no right can be restored without might and that the might of right alone, despite its credibility, is incapable of imposing it and so only the might of arms and men and determination and strong will can impose it.

Our clear and legitimate right to restore our right and retrieve our land, preserve our existence and defend our dignity and future make it incumbent upon us to acquire the strength and the means to do what we have resolved to do.

This being the case, Syria has been and still is anxious to possess strength. Meanwhile various hostile quarters have incessantly been resisting any steps by Syria on this path.

The uproar created by these quarters over Syria's missiles is a clear example of the desire by the enemies of our nation to continually block every path we seek toward possessing strength in order to give might to our right.

When President Reagan was asked whether the Syrian missiles would make him release the suspended consignment of aircraft to Israel, he replied: The questioner should realize that according to the law these weapons must be for defensive purposes and according to this law I have ordered the suspension of shipments because the Israeli forces are in a position in which they are occupying the land of another country.

Nevertheless hostile efforts are persistently being made in an attempt to stop us from arming ourselves and acquiring strength in support of our legitimate rights.

This duplicity in statements and contradiction between U.S. statements and declarations and what the United States actually does and practices in support of Zionist injustice and the illegitimate Israeli ambitions is not something new to us.

We are not here to refute everything said and being said by Washington, but the question that arises here is what has made President Reagan remember now that the Israeli forces are occupying the land of another state despite the fact that these forces have always been in this position. Furthermore, why does President Reagan not remember that the Israeli forces occupy the land of more than one state and not just one state as he said in his press conference?

That Reagan should now remember the existence of the Israeli forces in Lebanon and ask them to withdraw according to the White House plan which Habib carried with him confirms the fact that everything that emanates from Washington stems from deliberate planning to impose the U.S. will and to serve the interests of the imperialist-Zionist alliance. Otherwise what has stopped Reagan from remembering that the Israeli forces are also in the Golan, the West Bank and Gaza and that they possess U.S. arms that enable them to occupy, expand and kill Arabs in every place?

Once more, Syria is not concerned by what Washington or others say. Syria's number one concern remains the achievement of balance that will make Israel realize that the Arabs will not fall victims to its plan or surrender to its American force, for balance of power alone is capable of deterring Israeli ambitions and jogging the White House's memory.

CSO: 4400/280

KHOMEYNI: PROSPERITY LIES IN SLUMS, NOT PALACES

Tehran KAYHAN INTERNATIONAL in English 29 Mar 83 p 3

[Speech by Imam Khomeyni, chief-of-state of the Islamic Republic of Iran]

[Text]

TEHRAN (IRNA) — Imam Khomeini urged officials to inform the people of the work they (officials) do since adverse propaganda would affect those masses of the people who were not familiar with issues.

Speaking to a gathering of high-ranking military and civilian officials here Monday (March 21) on the occasion of the beginning of the Iranian New Year, the Imam noted that all the deviated mass media and individuals were inculcating into the world public opinion that this (Islamic) Republic was on the verge of being destroyed.

He said that as far as he had been informed by the officials the tasks performed and accomplished in the Islamic Republic were very great and were not even materialized during the reign of the former shah and his father.

The Imam added that the former regime failed even in constructing a suitable road or a clinic for villages which were in a complete state of deprivation.

In spite of all domestic and international difficulties the Islamic Republic has been confronting, the Imam noted, officials as well as the people have worked hard, surpassing previously held expectations.

So far, outstanding victories have been achieved, and those people inside and outside of the country, attempting to create obstacles have been paralyzed or will be disappointed soon, the Imam said. But, he stressed, inviting the people to ethics — Islamic ethics and culture should prevail in future.

Mistaken were those who thought that possessing money, lands, etc., would bring man prosperity, Imam Khomeini remarked, adding that prosperous had been those who had lived in slums and not in palaces.

He stressed that no inventor had so far arisen from a palace rather it was the slum dwellers who were inventors and discoverers.

The Imam urged that in order to establish Islam in the society as regarded by the Almighty God, the spirit of palace-dwelling should be removed from the minds of the people.

He emphasized that the government was not a palace-dwelling government further stressing that the day the government adopted such an attitude, the

government and the people would be doomed to destruction.

The day the president forgets the kindred-spirit with the slum dwellers he would become corrupt as well as those who associate with him, Imam Khomeini said.

As long as the nation respects ethics and the youth continue to devote their lives to the cause of martyrdom, Islam will remain secure and no one could upset this security.

But, the Imam warned, as soon as satan finds its way among the people, the superpowers' influence would then become effective thus leading the country towards annihilation.

Those rulers who are destroying their nations are the same people who live in palaces and have no idea of starvation and are only thinking of their own interests as well as those of the United States, the Imam stressed. He added that these people do not think of the independence of their people and this is the reason why they literally give the oil of these oppressed people to the U.S.

Commenting on the issue of judgement, Imam Khomeini urged theological centers to train people in Islamic jurisprudence so that the judicial system could benefit from their knowledge. He also reminded the judiciary branch of government of the great responsibility it was undertaking in connection with people's lives and property.

Regarding the 8-point decree he had issued (on Dec. 15) for the improvement of the people's social and judicial security, the Imam stated that positive steps have been taken for the implementation of the plan, however, he added, more follow-up steps were needed to do away with the country's present disorders.

Continuing his remarks on the same subject, the Leader of the Islamic Revolution ridiculed foreign radios for their senseless and misleading interpretations of certain events being taken place in Iran. He said they (referring to certain foreign radios and other mass media) were on the alert to find fault with the state of affairs in the Islamic Republic and thus damage the reputation of the Islamic Revolution. Imam Khomeini said the Iranian people and government were invulnerable as long as they preserved their unity which blessing he said they owed to the Almighty. Under the recent circumstance, pointed out the Imam, no one was able to launch a coup d'état, nevertheless, he said in face of possible divisions emerging among them, the probability of a coup attempt would increase because there are evil hands at work against the Islamic Republic, waiting for such an opportunity.

Stressing that abundant wealth would never bring about pleasure in one's life, Imam Khomeini told his visitors, "Do not imagine that the president of America or that of the Soviet Union are living in comfort. In fact you can find nobody else as embarrassed and anxious as they (these two) are. Each of them is trying to destroy the other." The Imam further added that the superpowers' fear of each other and their arms race stemmed from their anxiety. He then advised the visiting officials that in a world with this much turbulence "we must try to preserve ourselves by inclining further towards Islam."

In conclusion of his speech, the Founder of the

Islamic Republic wished success for the Muslims and implored the Almighty Allah that they might all have an auspicious new year.

In another development, some families of the martyrs of Tehran and two other cities along with these cities' representatives in the Majlis and a large group of others met with Imam Khomeini in the Jamaran Mosque of Tehran.

In the meeting, the Head of the Martyr's Foundation, Mahdi Karrubi, praised the sacrifices of the martyrs' families and the Islamic combatants.

At the end Imam Khomeini answered the visitors' enthusiasm.

CSO: 4600/505

CHIEF PROSECUTOR INTERVIEWED ON VARIOUS LEGAL MATTERS

Tehran KEYHAN in Persian 24 Feb 83 pp 2, 18

[Text] The Views of the Nation's Chief Prosecutor Concerning Hoarding and Profiteering, Guild Affairs Courts, Relations of Landlord and Tenant and Protection of the Deprived

Ayatollah Sane'i, the nation's Chief Prosecutor, in an exclusive conversation with the KEYSAN expressed his views about the operation of guild affairs tribunals, way of encounter with "economic terrorists," the problem of prisoners, difficulty of shortage of judges, relations of the landlords and tenants, work of hustlers in the Ministry of Justice, the investigation of cases in the Bureau of Misdeeds and....

At the beginning, concerning the operation of the tribunal and the court of guild affairs and also its conflicts with different individuals and organs, Ayatollah Sane'i said: "In principle, Islam has accepted punishment for hoarders and those who want to inflict a blow to the economy of the Islamic society and this principle is not deniable that hoarders, or in other words "economic terrorists," must be legally prosecuted. It has been mentioned in Imam Ali's letter to Malek Ashtar: "investigate the hoarders and punish them." [a Koranic anecdote]. But, with regard to how these individuals should be punished and what the scale of their punishment should be, this in the Islamic Republic system, needs law and organization that should be specified and determined.

So far, the tribunal and court of guild affairs have been working as an extraordinary court of revolution courts and, in this respect, it can be said that "the tribunals and courts of guild affairs, throughout Iran, have worked very well. Of course, if there has been a mistake, this is natural for a judgment affair. Of course, it is certain that a judge decides on the basis of standards not on the basis of supernatural knowledge, and since the judge does not have supernatural knowledge, so it is likely that he can make mistakes. But, what can be said about them is that they worked well and if, prior to the Imam's message, were not under those special conditions, maybe the economy of this country would have suffered numerous blows. Ayatollah Sane'i added: "Recently, the Supreme Judicial Council has ratified that the general tribunal and courts of guild affairs be gradually

attached to the Ministry of Justice and work according to the standards of the Ministry of Justice. With the ratification of this plan, its preliminaries, too, are being prepared. In the Ministry of Justice, penalties of such individuals have been specified. Because the penalties of these individuals are usually that of punishment cases, and punishments were previously specified in criminal laws and if they have not been specified, the shar' magistrate could find their cases by referring to religious sources. I suppose, when courts and tribunals of guild affairs become attached to the Ministry of Justice, punishments would be heavier and a guilty person who betrays the economy of the Islamic society, should anticipate heavy punishments. A punishment that may be more than punishment that some of the courts and tribunals of guild affairs have suggested. After this attachment, proving the guilt would also be under conditions that nobody could any longer say that, for instance, there has existed a personal view or motive or political and mental reasons. All individuals would accept its conditions. And with this attachment, many rumors, from the people's public opinion points of view, would be prevented. The Ministry of Justice is not influenced by these problems and has perfectly specified and clear conditions in these cases and its punishments, too, are severe. Of course, I remind you here that we do not mean that it has so far been this way in the tribunal and court of guild affairs.

With regard to publishing in the press, problems and conflicts that the court of guild affairs has had with organs and people, the nation's Chief Prosecutor said, "In my opinion, judicial matters should not be dragged into the press; the names of the accused should not be in the newspapers and we should not attack them before their guilt is proven, even after the guilt is proven we do not have such permission, unless where Islam allows it. Islam has allowed some of the crimes to become known and exposed. Counterrevolution must be introduced to society; or, there are other cases that the Quran, too, has explicitly specified. For instance, in the case of adultery conditions are very delicate and hard. In this case, knowing that if three fairminded persons should testify that they have witnessed adultery and the fourth person feared testifying, then those three persons penance should be by the lash. (sic) And also considering the fact that Islam has forbidden search, if this offense was proven despite all difficulties mentioned and, if, in order to preserve the purity of the society, it was determined that people should see the punishment, it must be so arranged. But it seldom happens that a judge should need or the Islamic tribunals or courts should need that the matters be dragged into newspapers and the press. For this reason, it is my personal opinion that these matters should not in any way involve newspapers. Of course, the generalities of judicial problems should be discussed in the press. Briefly, it can be said: "The courts and tribunals should not take their minor problems, and also their conflicts into newspapers and mass media. Then, concerning encounter with (economic terrorists), Ayatollah Sane'i said: "Considering this point that basically Islam has based its principle on guidance, this encounter could be effective from a guidance point of view. But it is not that we should not have punishment as well. Individuals who inflict economic blow should know that, with annexation of the tribunals and courts

of guild affairs to the Ministry of Justice and also with the amendment made in the regulations of the penal code, in addition to proving the violations faster, punishments of such individuals will become heavier." We asked for the opinion of the nation's chief prosecutor concerning the merging of the Headquarters To Follow Up With the Supreme Judicial Council, he said, "We have heard these rumors too, but the basic decision lies with the leader [Khomeyni] and any way the leader decides, it shall be obeyed. The martyr-nurturing people of Iran have witnessed that, during his struggle, the Imam has always made his decisions decisively and because of a relationship that he has with God, he has always been successful and we obey whatever decision he makes.

#### The Problem of Prisons and Pardon of Prisoners

Concerning problems of prisons and his recent investigations of prisons, a meeting with the supervisory council of prisons and also the problem of pardoning prisoners, Ayatollah Sane'i added: "In a visit that I had to the Qasr prison, I saw some problems there and after that, we prepared the ground for the Imam's pardon on 12 February. The Imam, too, favored the problem of pardon, and pardoned those who had been influenced by the prison life and had changed for better. The Imam's pardon contained nine categories. These nine categories caused many remaining individuals from the past hated regime, who were in prison and some others who were put in jail during the present regime and imprisonment had had good effect on them, to be set free. The nation's chief prosecutor then, pointing out some of the categories of the nine-point pardon of the nation's Imam, said: "One category concerns those who are 60 years old and are in prison and it has been determined that they can no longer do anything. The other category is about those whose individual complainants have dropped charges and their punishments for public offenses are over and the only remaining aspects are the God's dues and public dues. And the leadership has pardoned them. The other category is about those who have, by mistake and unknowingly and inadvertently damaged government properties and are in prison and are not able to pay for the damages. But these individuals should be aware that this pardon should not be a reason for them to be indifferent toward government properties. Because the government properties are part of the public properties and concern the blood of martyrs and their relatives. From now on, if anyone acts carelessly and damages government properties, he will be severely punished. Among other categories of the Imam's pardon decree are those who are sentenced to 5 years in prison in relation to some offenses and their repentence is obvious. We hope that authorities of the tribunals will investigate the matter faster, so that such individuals can be set free soon. Of course, some of them have been freed recently.

The nation's chief prosecutor added, "Concerning the Supervisory Council of Prisons, it should be admitted that they have done some services within economic and educational dimensions. Some of the prisoners who became involved in theft in the past regime due to wrong culture, are now repairing automobiles, which are running in Tehran-Karaj road. At the present time, about 10,000 relatives of prisoners are covered by the Supreme Council of Prisons and are taken care of by 600 to 2,500 tomans a month from the budget of the Islamic government and have also been allocated New Year bonus."

### Eliminating Difficulty of Shortage of Judges

Answering a question whether, considering the shortage of personnel and judges at Tehran's general tribunals, the Ministry of Justice has decided on a decrease in the number of branches to eliminate this difficulty, Ayatollah Sane'i said "We have a shortage of judges at the tribunal level but, considering the existence of the past cases and also present cases, we cannot reduce the number of branches. In addition to the past cases, which are too many, violations occur around the country, and the tribunal, at least, has to keep the existing branches. It should even reactivate some of the investigative branches that are closed now, so problems of the people can be eliminated. But the main subject is that prosecution rules should be reformed; the method of investigating should be reformed and this would require new law and, praise be to God, the Majlis is working well and the judicial committee has been and is studying the laws expeditiously.

"With regard to the honorable judges of the general tribunals and courts, I should say that considering conditions imposed by the Majlis a number of these judges have been removed; but recently the Supreme Judicial Council decided that files of such individuals be reopened and reexamined. It should be noted here that it is not that all of them were counterrevolutionaries and bad people, but it must be said that judicial system has specific conditions in Islam and one of these conditions is justice. It is likely that some of these people do not have such a high degree of justice and martyr-nurturing nation should not look at these retired judges this way; some of them were old and could not work. Of course, there were also counter-revolutionaries and bad individuals among them and if there were legal power, they should have been dealt with like some of the purged individuals and even the salaries that they had received in the past should have been taken back from them. But this type of individuals are very scarce and few, so we respect their reputation."

### A Reminder to Judges Concerning 'Relations of Landlord and Tenant'

Reminding the present judges at the tribunals and courts, especially at the legal and peace courts, Ayatollah Sane'i said, "If the Supreme Judicial Council feels today that, in relations between the landlord and tenant, a judge would have a conflict which might demonstrate support for those (economic terrorists)--those who had powerfully dominated the Ministry of Justice yesterday, and today, while they have a book of religious instructions in one hand and in the other a traitor criminal lawyer who had paid money and has dominated the situation by climbing the promotion steps of the Ministry of Justice, he will be dismissed by the Supreme Judicial Council as a libertine and will be sent to disciplinary tribunal of judges, charged with treason to the Islamic Republic and with insulting the system and misrepresenting the image of the system. And concerning the punishment of such an individual, it should be said that, in addition to his dismissal from office, he will be punished in the disciplinary tribunal of judges whose shar' magistrate has been designated by the Imam--a punishment that would be worth such a crime.

All authorities of the judicial branch should know that the law is respectable and the opinion of the Council of Guardians on preserving the regulations is respected and, based on the constitution, the Council of Guardians is the judge who would decide whether any deed is or is not against shar. But if it is seen that a judge has acted disregarding the opinions of these gentlemen and has supported those oppressive people, the Supreme Judicial Council will not forgive it.

For example, I had a contact with a poor judge who has had disciplinary violations in the past, and also in today's system, he has repeatedly issued decisions in favor of (economic terrorists)--in favor of those who, directly or indirectly, want to harm the system. His case is now at the Supreme Judicial Council and he is one of those who, I believe, is libertine and should be sent to the disciplinary tribunal of judges. Now, even if the Supreme Judicial Council does not vote, I, as a prosecutor and protector of the society's rights, will send him to the disciplinary tribunal of judges and will follow up the case.

With all the respect that we have for the judicial branch and we look at the retirees with respect, we would not be quiet in the face of these problems and would not sit quietly; and if necessary, we will expel them at any cost. The tribunals and courts, revolution courts and armed forces have worked well and I, as a Muslim, thank all of them. These people are working with speed and accuracy; the Supreme Judicial Council itself, too, works well, just as it worked well before with those respectable members.

#### Activities of the Aid and Guidance Bureau of the Ministry of Justice

For the problem of the hustlers' work at the Ministry of Justice who perform an act of a fraudulent nature, the nation's chief prosecutor said: "Late martyr Beheshti found a way which is carried out now and that is the Aid and Guidance Bureau of the Ministry of Justice which has a form of guidance. Recently, their activities were published in KEYHA and I said to the Imam and gave that report to the Imam's office; so he knows how much of an effective job the Aid and Guidance Bureau has done. They work patiently and work only for God and they guide the people. In the Aid and Guidance Bureau, a non-materialistic aspect is preferred on all directions and this bureau's work in preventing the activities of hustlers is very useful. In addition to this center which is in Tehran, we hope to be able to develop other centers of aid and guidance in other parts of Tehran and other cities and to make use of these decent human beings to the outmost. I ask martyr-nurturing people that, concerning these hustlers, if they should seem them, they should introduce them to the tribunals, so the problem can be followed up. Of course, I should say here that they can usually notify me by letter. Of course, I should say here that, prior to that, they can notify the Aid and Guidance Bureau and consult with authorities there who are familiar with legal and judicial problems, and then send letters. It is necessary to note that, in relation to that offending judge, it was the letters that were effective.

## Familiarizing the People With Judicial Problems

Then, concerning the problem of attorneys with huge lawyers' fees, Ayatollah Sane'i said: "In my opinion, the solution to this problem is to explain judicial problems of Islam to the people; the press should set aside a page for teaching judicial problems. If our people are taught how to bring up their problems with the judicial branch, they would no longer need to get lawyers.

Another problem is that people should trust these judges who are in courts and tribunals as well as the religious or civil Shar' judges who are now working in the Islamic Republic system and have qualifications through which the law of the Majlis has brought to judgment, and should set forth their problems with them so that there would be no need for lawyers.

Those who hired lawyers in the past had two major reasons. One was that they did not understand turns and twists of regulations, and second is that they did not trust some judges; and I think, with these steps, they would not need lawyers. The judges themselves should make an effort to attract the people's trust and preserve this people's base which is the outcome of martyrs' blood, especially a base among the deprived. There must be a difference between someone who has managed to take care of his five or six children, with a simple shop for many years and someone whose junior is using the country's foreign exchange abroad, and he himself has three or four sources of income such as pension, lawyer's fee, properties, etc. Judges must try to strengthen their base among the deprived and oppressed people everyday; otherwise, God forbid, if this base is eliminated, no responsible person can live and work anymore. I warn these lawyers and advise them that, if some day the Supreme Judicial Council should feel that work and behavior of a lawyer is a behavior that make the people dissatisfied, make rich people's pockets fuller, and that he acts in the direction of (economic terrorism), it would decisively resist and severely encounter him.

## Background Investigation Into Cases of Court on Misdeeds

We asked the nation's chief prosecutor about cases of the court on misdeeds which have been referred to Tehran's general tribunals and courts. Concerning speedy investigation of these cases, he said: "It has been decided that two branches, in charge of investigating these cases, be set up at the tribunal and court; one has already been set up at the tribunal. For the court, we are thinking about finding a judge who is familiar with the Islamic regulations and also familiar with revolutionary movements; because ignorance of a sin, in the Islamic Republic system, and particularly after the Imam's message, is a big violation and crime and, in fact, it would be a mockery of Islam. Investigation of such affairs should be by someone who, in addition to the knowledge of judicial measures, is familiar with revolutionary problems.

Respectable judges, who have been in the Courts on misdeeds, can present themselves to the Qom's Selection Center and, when they are accepted there as a judge, according to regulations passed by the Majlis, they can come here and perform their duties and obligations regarding prevention of crime and sins. But concerning those who are now misusing the Imam's message and openly commit offenses in the alleys and streets, it should be said that their work is ignorance of offense and today, not tomorrow, the court will be set up and they will be duly punished.

#### Foreign Currency Smuggling

About foreign currency smuggling and investigation of its affairs in the courts, Ayatollah Sane'i said, "With respect to foreign currency smuggling, so far, we have used the law concerning the Revolution Council but with contact that we have had with officials of the revolution courts, with regard to financial and economic affairs, a memorandum has been prepared by the Supreme Judicial Council, which would be published soon. In this memorandum, arrangements have been made to stop the work of those who smuggle foreign exchange and give a blow to the country's economy. In relation to rebuilding the Supreme Judicial Council, the nation's Chief Prosecutor said, 'Members of the Supreme Judicial Council had sent a letter to the Imam indicating that 'We are at your possession and any way you decide, we will execute that decision.' Following that, the Imam, in his eloquent language said: 'The gentlemen worked very well yesterday and I know them and some changes must be made because of some problems.' Two of these respectable gentlemen have resigned, their resignations have been received, and preparation for election of new members are being made. Of course, since these respectable members are among friends and followers of the nation's Imam and know correctness of the Imam's judgment, because of this, they have resigned."

With preliminary preparation for the election, I suppose the election of new members will take place within the next 3 months. We asked the nation's chief prosecutor, if the election of judicial personnel would be merely from the Qom Theological Seminary. He answered: "This is not the monopoly of the Qom Theological Seminary; the law rules. In the Majlis legislation, there is one law concerning the tribunal and, another law concerning the court; and conditions of judgment have also been specified, both non-religious and religious prosecutor can be a judge. Concerning the courts, the law is at the disposal of the theological seminary teachers and they test them and, on the basis of the existing regulations, they select the judges and when they come here, their personnel orders will be issued.

#### Courts Decisions Concerning Landlords and Tenants

Concerning recent decisions of the peace courts regarding relations of the landlords and tenants, the nation's chief prosecutor said, "Of course, the peace courts of Tehran and their legal judges, following regulations, have made efforts concerning tenants and judges generally, and President of the

Peace Court in particular, is interested to render service, within the regulations, to those tenants who have a bad situation and when a landlord does not need a house and only wants to take away a house from a tenant and rent it at a higher price. They have made their efforts very well so far, but in relation to the fact that we can make general regulations, we have thought about it some, but we have not been able to reach a decision within the law. But what is fortunate is that, at the present time, the landlord-tenant law, in relation to dwelling, is being presented to a committee of the Majlis and the amendment of the Council of Guardians has also been submitted and one of the Council of Guardians' theologians has recently gone to that committee, and the tenant-landlord problem would legally end one of these days and it is obvious that laws that are passed in the Islamic Republic system, since they are based on Islam, are the protector of rights of the deprived and Muslims.

Here, I advise those landlords who have another house and do not have a personal need for it, they should not pressure the peace courts; also, it must be said to respectable tenants that if they see that the owner is in need and he himself has a need for his house, they should not bring the problem to the court and should first try to solve the problem on the basis of Shar's regulations. But, since I am sensitive to this problem, I have not ignored the problem. Of course, as far as I know about problems of the Majlis' committee regarding landlords and tenants' committee, regulations are also available concerning shops and some works have been done and I think that, if God wills, they will try to preserve the regulations better and higher than before; and owners, too, should be considerate in this regard. Of course, the judicial and executive branches will take back forceful occupation and if they seized someone's property without a reason, this does not mean that we would also submit to this act. We are strongly against forceful occupation and we will resist. If someone has, without a reason, taken over people's property and converted it into a store or has made it part of his store, or has rented the store and ... we will sternly investigate these matters."

In another part of the interview, Ayatollah Sane'i said: "Of course, the reason that the Islamic republic system resists forceful occupation is that ownership in Islam, and also in the Constitution, is respected. The people's property, based on tradition, has as much value as people's blood. For this reason it stands up against forceful aggression and occupation and, up until now, it has been involved in activities and efforts for this purpose. Even the Headquarters to follow up Imam's decree, regarding the seizure of the fugitives' properties and properties that the revolution courts have seized, as well as those properties whose owners cannot be called hypocrites and have not committed treason, is investigating and it has its own court for this purpose. The fact that we say we are for deprived people, does not mean that ownership does not have a value for us. Ownership is respected by us, but we say that there are also difficulties and faulty problems. Then, there is the problem of war; there is the problem of pressure too; there are

also problems of common law and habit and normal course among the people. The problem of a landlord and tenant relationship is related to stores, which is a so-called theological condition and, as a Muslim, we cannot ignore one's ownership rights; because they exist. But increasing the pressure on deprived people and making them pessimistic toward the Islamic republic system is very important to me; it has more value than the blood of a Muslim; because the system has more value than anything else. The Islamic Republic system, which is the rule of God, and the Imam has put much value for the system, cannot be simply ignored. All the authorities of judicial, executive and legislative branches of the country look at problems from different angles; it is only the enemy who sees it from one single angle; it is the enemy who, if I say a word today, would come and say: "They want to eliminate the ownership and they want to become pro-communist. If we say that the deprived must be protected and taken care of, they misuse it in another way and it is the enemy who takes something out of content form the nation's Imam's proclamation on legal and financial problems and gets going; and this is wrong and false.

CSO: 4640/170

PLANS ANNOUNCED TO CLEAN UP, BEAUTIFY TEHRAN

Tehran KEYHAN in Persian 22 Feb 83 p 18

[Interview with Eng Nowruzi, deputy of Tehran Municipality]

[Text] KEYHAN's correspondent reports from Shemiran that there are plans to set up two produce markets in different sectors of Tehran, to establish a big park, a gymnasium and a mosque on the site of south Tehran's Gowd-e Baghchal, to plant more than a million saplings in Tehran and to move the zoo and livestock pens outside the capital.

This was stated in a conversation with the KEYHAN correspondent by Engineer Nowruzi, deputy of Tehran Municipality, in Shemiran where he was visiting to look into the problem of the sector.

Engineer Nowruzi was asked about the system of services provided in the north and south of the city and which sector gets the biggest share of the budgeted expenditures. He replied: In the name of God the compassionate, the merciful. Obviously services are not limited to development projects. The policy of the government and Tehran Municipality is that the injustice which had been done for many years to the southern sector of Tehran be compensated for in the Islamic Republic of Iran. So we decided to allot a greater portion of the credits to deprived sectors.

He added: Deprived sectors are not in southern Tehran alone but also exist in the center and fringes of the city and 80 percent of credits allocated to the 20 sectors go to the deprived sectors for which we are planning many improvements, including the problem of pit-dwellers and the Baghchal depression. He added: With the approval of the prime minister, Interior Minister Nateq-Nuri, the mayor and deputy mayor of Tehran Municipality, I lived there for 20 days and the problem of the Baghchal depression has been generally solved.

Baghchal Depression Site for a Sports Stadium

Engineer Nowruzi said: We have evened out the Baghchal depression and a big park will be set up there, with a sports stadium and a mosque.

Referring to development of southern Tehran and fringe areas of the city, the deputy of Tehran Municipality said: Despite the cold, we started asphalting the streets 3 months ago. The goal is that within the municipality services boundary within the next 2 years, we should not have any unasphalted street or unpaved curb and to have noticeable development projects in progress in Tehran, especially in deprived sectors.

Speaking about green spaces for Tehran, Engineer Nowruzi said: It being the appropriate season for greenery, if nothing is done about Tehran's need for green spaces, certain problems might possibly arise including asthma and even asphyxiation. We therefore intend to plant more than 100,000 trees and more than 2 million flowering bushes in a wide area of Tehran in order to reduce air pollution in the city.

#### Vacuum Trucks for Tehran

The deputy of Tehran Municipality said: During the time of Nikpey, 60 vacuum trucks were purchased from the United States for Tehran but they had not been able to make use of them and it had been decided that a number of people should go to the United States for training or that Americans come to Iran to teach their use. Fortunately, as a result of the efforts of experts at the motorized transport service of the Municipality, in the past 2 months, 10 of the trucks were made serviceable and have been used in vacuuming and washing the streets.

Referring to the condition and problems of terminals, the deputy of Tehran Municipality said: Since in accordance with the decision of the Revolution Council these were transferred to special sites outside of the city, a part of the work has been reduced. The goal of the officials of the Municipality is also that. Since the winter was not a period for development activity, a temporary plan will be drawn up after the start of spring.

He added: Construction on both east and west terminals have begun. The contract involves 40 million tumans for the west terminal and 60 million tumans for the east terminal, with the contractor having been given a minimum of 3 years to complete the job which, when done, will take care of a lot of problems. We also have special projects planned for the southern terminal including a hotel, boarding houses and efficient places where people can stay. These will be near the terminal. An important point to bear in mind is that 50,000 to 70,000 people arrive and depart from the southern terminal each day and since they have to go to the center of the city to stay the night, they have to put up with a lot of inconvenience. The construction of these hotels will also help the city's traffic.

Asked if there are still pit- and cave-dwellers in Tehran, the deputy of Tehran Municipality said: Yes there are pit-dwellers. There are two kinds: Those who were shown on southern Tehran maps and whose situation will hopefully be resolved gradually. Then there are cave-dwellers who have lived for 15-20 years in places like Shahr-e Rey and whose condition is worse than the pit-dwellers. There are many similar situations in various parts of Tehran.

Speaking of vendors and shopkeepers the deputy of Tehran Municipality said: The Municipality wants to do away with unauthorized vending stands and vendors because these peoples have really created problems for the city. There are, of course, vendors who have been so engaged for many years, sometimes for as many as 15 years, and something must be done for them. Municipality planners have come up with a project in this regard which has even now shown good results. Vendors for their part must realize that blocking pedestrian traffic is unacceptable from the religious point of view.

Engineer Nowruzi added: Unfortunately a number of shopkeepers too, instead of exhibiting their wares inside their shops, spread them out on the sidewalk and sell then at several times the price while inside their shops they claim they do not carry the same merchandise. We have warned shopkeepers in no uncertain terms that whatever the cost we will clear the streets from such obstacles. We are waiting for our necessary planning to reach the implementation stage and be announced before we announce our intention to implement it.

#### Zoo To Be Moved Outside Tehran

Referring to headaches caused by the Tehran zoo, Engineer Nowruzi said: It is a month since the matter of the Tehran zoo has been under study and it has become clear that it must be moved from its present location. It has been decided to build new facilities within the next 3 years and move the zoo there.

He had this to say regarding inner city livestock pens: Although those people own their property, yet because of the growth of the city, it is not advisable to have livestock pens inside the city. We are to discuss the matter with the Ministry of Agriculture in order that livestock facilities can be moved 10 kilometers outside Tehran. There we will build livestock pens and place them at the disposal of the people involved.

The deputy of Tehran Municipality was asked if prices at the Bandar-'Abbas produce market are controlled by the Municipality and whether another produce market will be set up for Tehran? He answered: While the Municipality has the responsibility of setting up produce markets, it also has the responsibility of controlling and supervising them. Previously there was limited controls but in recent months the best and cheapest priced fruit has been made available at the Bandar-'Abbas produce market because accurate price control is maintained and in the fixing of prices even help is solicited from such organizations as the Municipality, Ministry of Agriculture, Ministry of Housing and Rural Development, Ministry of Commerce and so on.

Engineer Nowruzi added: Soon 2 produce markets will be opened for business: One on the Jalal Ale-Ahmad Highway and the other at the beginning of Afsarieh highway near the old racecourse.

Referring to the taxi and green-hood taxis in Tehran, he said: Recently a number of brothers have begun activities in the Taxi Association of Tehran and as a result some of the previous problems have been resolved and they have put some planning into effect. He added: Brothers responsible for running taxis

are taking a lot of trouble and with programs they have on hand they are sure to resolve, and are resolving, problems of taxi owners. It is now the turn of taxi drivers not to inconvenience the public.

He then referred to the situation of green-hood taxis: For the time being these will remain. We are looking into the possibility of increasing or decreasing taxi lines because the need for them is felt. Referring to 600 tumans per month municipal tax he said: The Municipality being a service organization must levy a tax on them as it does on buildings because the Taxi Drivers' Association plans to provide within its means such things as spare parts for this category of earners. The association also has expenses to meet and must have income to meet them. However, the matter of the taxes being high or low will be looked into.

Engineer Nowruzi added: Committed brothers and even individuals from among committed taxidrivers will use special inspection and control cars to check on taxis and green-hood taxis.

He said: According to a decision of the Revolution Council, the taxi service of Tehran has been put under the management of the Taxi Association. We have no differences with the Taxi Service Cooperative Company but the fact is that according to an approved law the Taxi Association and the Municipality are required to manage the organization and we are stressing that use be made of members of the Taxi Service Cooperative Company.

#### Faster Issuance of Building Permits

Engineer Nowruzi had this to say about building permits: I must say that in the majority of the sectors of Tehran it takes one month for building permits to be issued if the case has no drawback regarding required registration and development permit. At present we do not issue permits for construction of buildings more than two stories high. In some sectors of Tehran permits have been issued for 1 and 1/2 stories and we are planning to increase those to two stories also.

He was asked, in view of the 8-point declaration of the leader of the revolution, employees of the Municipality without authorization enter buildings within which unauthorized construction work may be taking place. He said: This has been and is a problem but what is clear is that such violations must be prevented in any manner possible. A violation is a violation and what some people are doing is contrary to religious tenet. The Municipality of Tehran has discussed this matter with Ayatollah Musavi-Ardabili and some of the difficulties have been resolved and the matter has been discussed with the religious representative at the Municipality. We hope to resolve the matter so that we can effectively prevent construction violations within buildings. At present these are being prevented. The deputy of Tehran Municipality said: The Municipality is determined to prevent the takeover of land in any way possible and violations which occur on such land. Orders for demolition are even issued in this connection.

He next appealed to the public by saying: As you know the Municipality has basic and difficult tasks ahead and must demonstrate the services it provides. At the same time the Municipality is a self-supporting organization and people must pay their renovation, business and automobile taxes so that it may be able to serve the martyr-nurturing public.

Engineer Nowruzi was asked whether the Municipality has become financially self-sufficient. He answered: Not 100 percent. The government even helps financially in a small way but we believe the people will help and are helping and hopefully we will see the day when the Municipality is 100 percent self-supporting.

Referring to housing for Municipality workers, the deputy of the organization said: Our purpose is that employees working in various sectors should be residents of the same sectors so that they are not obliged to spend 5 hours a day travelling. Given the goodwill of the Ministry of Housing and Urban Development and the Urban Land Organization, we believe we will be able to resolve this problem.

He added: A project is under study for construction of a beltway along the fringe of Tehran to extend from Behesht-e Zahra to Afsarieh and on to Ab-e'Ali highway.

#### Nighttime Garbage Collection

Engineer Nowruzi said: As soon as weather permits, Tehran's garbage will be collected during the night and dumped at designated localities within the Tehran boundary. The garbage will be placed in containers or special "winch" facilities that are being set up in Tehran.

He added: Tehran Municipality has an annual expenditure of 3 billion tumans and in addition between 500 and 800 million tumans in development expenditures.

He said in conclusion: I thank the martyr-nurturing people for their help and request more such help.

5854  
CSO: 4640/156

'DEEDS OF DEBAUCHERY' TO BE DEALT WITH 'DECISIVELY' BY OFFICIALS

Tehran JOMHURI-YE-ESLAMI in Persian 7 Mar 83 p 10

[Text] NEWS SERVICE--The Minister of Interior, while issuing a severe warning to those who have misused the Imam's eight-point decree and are engaging in debauchery and sin in the cities, called upon police officials to confront notoriously immoral persons decisively and to turn them over to judicial officials.

In a press conference, Hojjat ol-Eslam Nateq-Nuri, the Minister of Interior and member of the Imam's follow-up staff, referred yesterday to the Imam of the nation's historic decree and abuses of it by a number of opportunitst. He said: Along with all the positive and fruitful results that have accompanied the Imam's historic decree, a number of opportunitst have decided to abuse this decree. They have imagined that they can turn away from the regulations and values that prevail in the Islamic Republic. They have therefore committed a series of licentious deeds for us. For example, we have received reports of the wearing of shocking clothing in the cities; the ladies, of course, must be advised that they live in the Islamic Republic, and, consequently, public modesty in terms of Islamic values is called for. Women's clothing, if immodest, and the vulgar tapes which are being sold in the streets, are therefore subject to legal prosecution. Likewise, we have made decisions to deal with some of the parties which are taking place in living rooms where musical instruments are played and narcotics are used.

Common Law Penalties

Referring to common law penalties, he then said: In view of the fact that the country's judicial laws are being studied and enacted in the Majlis, in order to prevent sinfulness and chronic licentiousness we have decided to make use of common law penalties; these laws are approximately adequate, and some of them are left over from the time of the late Modarres.

The Minister of Interior, reading several articles from the common law penalties for sinfulness, referred to the penalties for such violations in the law. He said: It is clear, for example, in the common law penalties, that whoever openly uses narcotics or habitually drinks alcohol may be sentenced to three to six months in correctional prison and is subject to prosecution; there are penalties for all forms of debauchery in these laws which have been selected for consideration.

Hojjat ol-Eslam Nateq-Nuri then addressed police officials. He said: When the Iman issued the eight-point decree, he repeatedly stated, first of all, that the mini-groups are exceptions to these matters, and, secondly, that the prosecutors, revolutionary courts, and police officials are responsible for dealing with the notoriously licentious.

He added: It is on the basis of these points that we see the brothers in the committees sometimes saying that they see violations, but do not know how to confront them. Consequently, a number of people have become bolder in the commission of debaucheries and sin, and they sin publically.

We say here and now to the brothers in the committees, the sheriff's offices, and the gendarmeries, that they are obligated by religious and legal responsibility to decisively deal with licentious people, on the basis of what the law says; the public prosecutors are also obligated, when agents of the courts encounter these incidents, to take custody of such people and prosecute them. If the public prosecutors fail to take custody of defendants, we will have no choice but to lodge complaints against the prosecutors with the judicial police courts.

Concerning the open commission of crimes, the Minister of the Interior said: A point that is made in the penal laws is that the open commission of an act involves doing so in view of the people, whether the place of perpetration is public or private.

In answer to a question concerning clashes which have occurred in the forests of the north recently, Hojjat ol-Eslam Nateq-Nuri continued the interview by saying: After the arrest of the biggest part of the counterrevolution in the forests of the north, they set up disorganized, scattered ambushes against the people. For example, last week they captured two shepherds in these forests and stupidly asked them for information. Also, several days ago, as a result of a confrontation between our patrol forces and several of these counter-revolutionaries in the forests, two counterrevolutionaries were killed and three others were wounded.

The Minister of Interior, in answer to a correspondent's question on the increase of theft in the cities, said: On the basis of daily statistics, the statistics on theft have not increased; most of the thefts which occur are political thefts carried out by the 'hypocrites' in order to meet their financial needs. In any case, police officials are vigorously pursuing the situation, and we have plans concerning this which will be implemented at the appropriate time.

9210  
CSO: 4640/150

## PRIME MINISTER REAFFIRMS NEED TO ESTABLISH IDENTITIES OF AFGHANS

Tehran JOMHURI-YE ESLAMI in Persian 5 Mar 83 p 1

Text In a visit with officials of the Council for the Study of Afghan Problems across the country, the Prime Minister said: The matter of identification cards must be viewed as a reliable solution; if the cards are not filled out within a specified period of time, no organization, group, or factory has the right to accept them. The Ministry of the Interior must confront this matter seriously, and if some of them want to stir up trouble, they will be dealt with more forcefully.

During the visit, after hearing a report from Mr Akhundi, political deputy in the Ministry of the Interior, the Prime Minister spoke on the problems of the Afghans. He said: The issue of Afghan brothers in Iran is an important one which our government and nation must face.

This issue has been created in the country as we are involved with important problems, such as the imposed war; actually, this problem must be made a top priority. He said: As long as the Soviet Red Army is in Afghanistan and the Muslim people of Afghanistan do not control their own fate, this problem will exist for our country. We have formed a government on the basis of Islamic and humanitarian values, and our encounters with our Afghan brothers must be on the basis of these values. Mr Musavi said: Those who have crossed the Afghan borders into our country have done so for a particular reason. All classes, of course, are found among them; if our system wishes to solve this problem it must take all its aspects into consideration. He added: Where the Afghans are concerned, we are dealing with various cultures; they have created problems in Sistan va Baluchestan, as well as labor difficulties. Yet along with these things goes something that is important to our system: the belief in orthodoxy and respect for the blood of martyrs. We must not be indifferent to a neighboring nation which has been invaded and is living under bad conditions; if we forget about such a problem we will not have the strength to confront the forces of imperialism in the world. We have gained experience in the last four years, and we have made a priority of protecting the creation of Islamic revolution. We cannot ignore this; if the government and its officials allow it, the people will act on this matter.

The Prime Minister said: We must view identification cards as a reliable solution; if the cards are not filled out within a specified period of time, no organization, group, factory, or employment center has the right to accept

even one Afghan. The Ministry of the Interior must confront this matter seriously. We must make our Afghan brothers understand that Islamic law reigns in our country and that everything in our country is motivated by it. He said: It is important to convince them that they must submit to the laws of the Islamic Republic, be straightforward, and avoid political activity; this will be to their own advantage. Presently, now that the issue of identification cards for Afghans has been raised, it is possible that some groups among them will try to stir up trouble. If they do this, more force will be used in dealing with them.

He said: Here we must look to judicial officials to confront these matters more seriously if this matter is addressed by a judicial court, it will benefit the movement and forces of the oppressed people of Afghanistan. Mr Musavi said: We are aware of the struggles of the people of Afghanistan, and we know how they are fighting the occupying forces. This is an extremely difficult task, and any kind of inhuman, criminal movement which may occur will be a blow against the Islamic revolution of Afghanistan. In conclusion, he called upon the Friday imams throughout the country to make the people aware of the problems of the Afghan refugees, and said: If we can obtain clear statistics on this matter, it is natural that we will be able to prevail over the problems more easily.

9310  
CSO: 4640/151

INTERVIEW WITH PEOPLE'S PARTY LEADER GHULAM MUSTAFA JATOI

Lahore NAWA-I-WAQT in Urdu 18 Feb 83 Magazine pp 2-3

[Special interview in Lahore with Ghulam Mustafa Jatoi an important leader of the People's Party: "No Party, Including The People's Party, Will Ever Accept Any Political System Other Than The 1973 Constitution"; date not specified]

[Text] Ghulam Mustafa Jatoi has held important political posts during former governments. He was the chief minister for Sind Province and federal minister of communications and political affairs. Friction between him and Mr Mumtaz Bhutto over authority in the defunct People's Party existed then and continues today. Even now, these two leaders of the People's Party continue their struggle to gain the upper hand. Yet certain circles in the People's Party consider Mr Jatoi as the most important personality in the party. On the other hand, as he was offered the post of premier by the present government, other circles still look upon him as "the government's man." Last week, Mr Jatoi arrived suddenly in Lahore and for 2 days he was busy in political activities at the residence of former senator Misn Ehsanul Haq. Nevertheless, he was exiled from the Punjab for 3 months and sent back. During his stay in Lahore, he was interviewed by NAWA-I-WAQT.

Our first question was whether he had come to Lahore in pursuance of any particular program. His reply was in the negative. He said he has come to Lahore to meet with some friends. He said he had at first wanted to go to Peshawar but having been denied permission to enter that city, he had come to Lahore. He said it was 1 and 1/2 years since he last met with his friends here and since all his friends were politicians, the nature of some of the talks were political. But he added that it was not correct to assume that he had come here in pursuance of some special program.

We asked him whether, like Mr Yusuf Haroon, he too had brought any political formula with him and asked him to enlighten us as to what Mr Yusuf Haroon's formula was all about. Mr Jatoi quickly replied that he had no formula and that the 1973 constitution has everything that is needed. He said that even though Mr. Yusuf Haroon was an old friend of his, he could not understand him. Our fathers and grandfathers have been taking part in politics together and we have a family relationship as well. But I could not understand the purpose of his meetings with the politicians here. He met me, too, but he did not tell me anything about his political formula. This is why at present I am not in a position to say what Mr Haroon actually wants. This is your job; you should find out and tell the people about it.

You were offered the post of premier by the present government, and according to our information you even accepted this offer. Does this offer still stand or has it expired?

Mr. Jatoi smiled at our question and replied: "This is an old story. In September 1980 the government called me from London where I was at the time and offered me the post of premier. In response to this offer, I placed three conditions before the government, and I told them that I would accept their offer provided they in their turn accepted my conditions. My conditions were as follows:

First, I will discuss the matter with my party and consult with them and other political organizations and I will accept the offer if they approve. Second, I was prepared to accept at the risk of personal sacrifice provided the government gave me a written guarantee that they would hold elections and announce this on the TV and finally that similar political governments should also be established in the provinces. Since I presented these conditions, there has been no satisfactory progress on the part of the government. My proposal about the establishment of a political government was accepted but my conditions for holding elections did not win their approval and their offer of the premiership was rescinded, and I in turn did not think it appropriate to pursue the matter further.

We asked Mr Jatoi how he would react to another similar offer. Mr Jatoi replied that the matter was now finished and should they present a similar offer again he would tell them that the time had now passed and that the only recourse was to hold general elections.

We asked Mr Jatoi if it was true that after he was offered the premiership he met with Ghulam Mustafa Khar after which the offer was taken back?

In reply, Mr Jatoi said that it was a fundamental article of faith with him to perform "umra" whenever he returned to Pakistan from a visit abroad. He said that when he received the government's message on his way back from London he did not perform "umra" and that after 1 week he went (to Saudi Arabia) to perform this religious ceremony and had met Khar. But this, he said, had nothing to do with the offer on the premiership.

We asked Mr Jatoi what his party's stand was with respect to nonpartisan elections and amendments to the constitution currently being discussed by the people.

Mr Jatoi replied that not only the People's Party but no other party will accept any political system that negates the 1973 constitution. We are fortunate, he said, to have in our possession a constitution approved by an elected assembly. In this case, the only solution to the country's crisis, he added, was to hold general elections under the 1973 constitution.

We further asked Mr Jatoi if nonpartisan elections could be held successfully and would this experiment on a nonpolitical basis prove successful.

In reply, Mr Jatoi said that without the participation of political parties, this experiment was bound to fail. If the government believes that it can hold elections on a nonpartisan basis for assemblies as was done in municipalities because political parties allowed their workers to take part in municipal elections and there were so many candidates in those elections, it is sadly mistaken. In comparison, the number of candidates in national elections is limited and if the political parties boycott these elections then the fate of the elections would be same as those held for provincial assemblies in 1977. Furthermore, nonpartisan elections can also prove to be extremely dangerous for the unity and unanimity of the country, because parties take part in elections only under political and economic programs, whether anyone agrees with or opposes the programs. If efforts are made to hold elections without the participation of political parties, then this will lead to caste clash, factionalism and regionalism in the streets, thereby giving rise to a situation that will certainly not be for the good of the country.

We pointed out to Mr Jatoi that the politicians also had not played any clear role in bringing about elections and asked him whether this attitude of the politicians would force the government to hold elections.

Mr Jatoi said that present conditions from those that existed during the movement of the PNA [Pakistan National Alliance] in 1977. Martial law is now in force. Political workers cannot be released on bail. If the people were to be incited and agitation initiated, ultimately it is the country that will suffer. It will be difficult to control such agitation once it is started. In demonstrations there is always the danger of participation by elements who will lead the agitation in the wrong direction. We believe in the integrity of Pakistan, and thus we do not wish to provide any opportunity to elements hostile to the state. Nevertheless, before doing all this under pressure, President Ziaul Haq should hold elections and hand over power to a political government.

We asked Mr Jatoi if he would accept elections if the People's Party is not allowed to participate in the elections. To be able to take part in elections, political parties have to register, and the People's Party has not met this condition.

Mr. Jatoi replied that it is the desire of the government that the People's Party not participate in the elections, and with this in mind, the elections have been postponed under various pretexts and certain conditions have been laid down for parties wishing to take part in the elections. But he said people will not accept elections held without the participation of the People's Party.

Mr. Jatoi, what is your personal view about giving an electoral alliance format to the MRD [Movement for Restoration of Democracy], as is now under consideration? Certain political parties, including the People's Party, have expressed their reaction to this. It is alleged that the MRD is not a proper and strong organization and that it has not succeeded in achieving its objective.

Mr Jatoi thought briefly for a moment and replied in a somewhat bitter tone that there seems to be no possibility of any elections being held so far, and thus it is too early to think of giving an electoral alliance format to the MRD, because our primary goal is to bring about elections. Besides, some of the parties that constitute the MRD have been members of the PNA and have had bitter experience with electoral alliance. They know the misfortunes they had to undergo during the electoral alliance, and as a result, the best thing is not to discuss this issue. Nevertheless, when the elections are announced, then this issue could also be considered.

But it can be said that over the past 2 years, the MRD has failed to achieve the goals for which it was formed. Do you have any plan in mind by which the MRD will be able to achieve its goals despite the prevailing conditions?

Mr Jatoi's reaction to our question was again bitter, and he wanted to know what it was that led to the conclusion that the MRD did not achieve its goals. Actually, present conditions, he said, are quite different and in view of these conditions, PNA will have to face the same difficulties that MRD is facing. It is said that we have failed. It is not at all difficult to bring the people into the streets. The people are so oppressed that they are thinking of taking to the streets themselves, and they are merely waiting for a signal. But what really deserves consideration is that such a situation could prove to be extremely dangerous for the country. We are Pakistanis and we believe in a united Pakistan and so we are avoiding such measures for the good of the country, because once such a movement got started it would be beyond our control to stop it.

Are you hoping that conditions will change in your favor all by themselves?

No, we are not so optimistic. But the integrity of the country is very dear to us. General Zia should think of it himself. If he were to hold elections and hand over power to the people as he promised, then history will always have good memories of him. No one should suppose even for a moment that he will remain in power all his life. If he wishes to earn a good reputation, then the political process should be allowed in accordance with the constitution.

There are rumors that Begum Bhutto was pretending she had cancer in order to be able to leave the country and that she does not intend to return. You must certainly be in contact with Begum Bhutto and thus be in a position to clarify the actual state of affairs.

After a brief pause, Mr Jatoi said that the information that Begum Bhutto does not intend to return to the country was wrong, and that she was at present under medical treatment in France. Mr Jatoi said that he kept in touch with her by telephone, that she was fast recovering and that after completion of the medical treatment she will come back. But he added that it was unlikely that she would return within the next 2 months.

Is it correct that in addition to cancer she is suffering from some other disease that could be treated in Pakistan?

Mr Jatoi said that he doctors had diagnosed and found her disease. Such rumors, he said, are being spread to damage her image. The facts about her disease have already been stated by her doctors.

It is being said that there is a power struggle between you and Mumtaz Bhutto within the People's Party. What is the actual state of affairs, and in the absence of Begum Nusrat Bhutto, who is giving directions to party workers?

Mr Jatoi smiled and said that Mumtaz Bhutto and he were both ordinary workers in the party, and that in the absence of Begum Bhutto, a standing committee consisting of 12 members, headed by Sheikh Mohammad Rashid had been formed to run the party. He added that Mumtaz Bhutto and he were members of that committee.

But Sheikh Rashid is under detention; who looks after the party in his absence?

Mr Jatoi replied that so far no serious problems had been faced that would require any guidance for the workers. Therefore, he said, the administrative machinery of the party was going on smoothly by itself.

Do you meet with Begum Benazir Bhutto, too?

I do wish to meet her, but up to now I have not been able to see her, said Mr Jatoi, adding that permission is required from the government to see her.

With this brief question and brief answer by Mr Jatoi, our interview with him came to an end.

9315  
CSO: 4656/114

WOMEN'S BODY REACTS STRONGLY TO EVIDENCE LAW

Karachi DAWN in English 28 Mar 83 p 16

[Text]

PESHAWAR, March 27: APWA has strongly reacted to the draft Law of Evidence adopted by the Majlis-i-Shoora recently.

The governing body of the Association, which met here from March 25 to 27 under the chairmanship of Begum Raana Liaquat Ali Khan, a founder President, also viewed with concern the Qisas and Diyat Ordinance pending before the Shoora as "it contains clauses wherein the Diyat of a femal victim of murder would be half of that of a male victim."

The governing body described the Ordinance as highly discriminatory against women and urged the President of Pakistan to reconsider "this grave issue which is a reflection on the status of women in Islam, a religion which has given full human rights to women as con-

tained in numerous verses of the Holy Quran."

The association, in close co-operation, with other women organisations, in the country, also drew attention of the members of the Majlis-i-Shoora to the proposed inequities and injustices against the women of Pakistan and strongly affirmed that "there is no sanction in the Islamic concept of justice for degradation of women-folk."

In its resolution adopted unanimously, the APWA also referred to other Muslim countries the majority of which did not discriminate between male and female witnesses.

"A single verse cannot become the basis of the Islamic Law of Evidence while ignoring all other relevant verses in the Holy Quran," the resolution said.

CSO: 4600/500

MAZARI'S PLEA TO RESTORE 1973 CONSTITUTION

Karachi DAWN in English 26 Mar 83 p 14

[Text]

Sardar Sherbaz Khan Mazari, President of the defunct National Democratic Party (NDP), yesterday said that the Government should "admit its failure in running the day-to-day administration of the country" and restore the 1973 Constitution as passed unanimously on Aug. 14 "for the sake of national cohesion and integrity".

Addressing the party workers' reception at the residence of Mr Javed Ansari in Malir last evening, he cautioned the people against "conspiracy by the interested elements to create division in the body politic in order to perpetuate their rule".

He pointed to the "growing despondency" among the people, particularly, of the smaller provinces, and said that the only way to keep the Federation intact was to restore democratic process whereby the rights of all the four provinces vis-a-vis the Federation were fully secured.

Mr Mazari urged the workers of the defunct NDP and also all those associated with the MRD to work

unitedly among the people for the restoration of democracy and the rule of law in the country.

Earlier, Mr Abid Zuberi, the Party's Central Information Secretary, said that the economic conditions were "deteriorating day by day, while there was "rest" among the industrial workers. With their fundamental rights suppressed, the common people were living "in a state of uncertainty", Mr Zuberi said, while calling for early transfer of power to the elected representatives.

Others, who spoke, were Maulana Qasim Khosa, Mr Mohammad Bux Baluch, Mr Hasan Firoz, Qazi Jameel and Mr Qasim Jan.

In a resolution the meeting urged for sectarian peace, disavowed Pakistan's representation at the recent NAM Summit, called for the release of all the political leaders and workers, and demanded end to "goonda activities" in the educational institutions. It further said that the sentences passed on the students should be withdrawn and that the three-year LL.B. course be curtailed.

CSO: 4600/496

TEHRIK LEADER DEFIES BAN ON MOVEMENT

Karachi DAWN in English 26 Mar 83 p 14

[Text]

LAHORE, March 25: The Convenor of the MRD and Acting Chairman of defunct Tehrik-i-Istiqbal, Syed Munir Shah, has declared that their party would not abide by any illegal, immoral and unconstitutional restrictions imposed on its activities and movements, and also called upon the leaders of other political parties to violate all such restrictions.

Mr Shah, who came to Lahore in violation of the ban imposed on his entry to Punjab, was addressing a Tehrik meeting held to observe protest day on March 23.

Speaking at the meeeting the provincial President of defunct Tehrik, Malik Hamid Sarfraz criticised the arrest of leaders of Istiqbal Students Federation in Peshawar and called for their release.

He said that arrests, detentions and other similar restrictions could not thwart the movement for restoration of democracy.

He said that Tehrik and MRD would spare no sacrifice for restoration of democracy, and release of all political detenus.—PPI

MANILA, March 25: Four Filipinos died and 40 were injured in an explosion when ammonia was being unloading from a tanker at Toledo city on the central island of Cebu yesterday, the Philippines news agency said today.

CSO: 4600/496

WORLD BODY OF MUSLIM ECONOMISTS PROPOSED

Karachi BUSINESS RECORDER in English 25 Mar 83 p 6

[Text]

ISLAMABAD, March 24: The second international conference on Islamic economics today proposed the formation of an international association for Muslim economists.

A preparatory committee headed by the Chairman of the conference Prof. Khurshid Ahmad, was formed today to take all necessary steps for incorporation and promotion of the proposed association.

The association is likely to be formed in near future.

Concentrated attention was given to issues of outstanding importance relating to teaching of Islamic economics; Islamic banking in theory and practical problems of profit sharing and their solution; Zakat and Ushr; and development strategy in Islamic framework.

The theme of the five-day conference was "development, finance and distribution in Islamic perspectives", during which 24 papers were contributed. Besides, two open forums on "development strategy in an Islamic state" and teaching of Islamic economic: were held.

Two extension lectures on Islamic approach to development and recent developments in Isla-

mic economics were also held.

The five working groups set up on different issues relating to Islamic economics, have completed their work. Recommendations of the conference based on the reports of the working groups will be announced on Saturday.

The conference Chairman, Prof. Khurshid Ahmad, addressing the concluding session yesterday said that the recommendations will form part of the proceedings to be published both in English and Arabic shortly. He said efforts would be made to implement each and every recommendation.

The discussions in the conference clearly brought out that an economic system based on Islamic principles should result in dynamic growth and equitable distribution of income and wealth and a total restructuring of the economy.

The participants recognised that the socio-economic conditions prevailing in present day Muslim society are not in consonance with the Islamic ideals. Large sectors of population in a number of Muslim countries are afflicted with abject poverty, and there are glaring inequalities of income and wealth.—PPI.

CSO: 4600/494

FINANCE MINISTER CLAIMS RUPEE DELINKING BENEFITED EXPORTS

Karachi BUSINESS RECORDER in English 27 Mar 83 pp 1, 8

[Text]

Federal Finance Minister Ghulam Ishaque Khan said in Karachi yesterday that the volume of our exports registered a considerable increase following the Government step to de-link Pak rupee from the U.S. dollar in Jan. 1982.

Speaking at the function of award of the export performance trophies sponsored by the Federation of Pakistan Chambers of Commerce and Industry, the Minister said that the decline in export during 1981-82 called for corrective measures and one of them initiated by the Government was the decision to delink rupee from the dollar.

He said the decision has proved extremely beneficial and the exports have started picking up after a time lag. During the first eight months of the current year (1982-83) exports were up by 19.6 per cent in rupee terms over the level in the corresponding period of 1981-82.

The Finance Minister called for more aggressive drive for the promotion of export trade in the impending recovery phase of the world economy.

He elaborated the exchange rate policy as one of the measures to boost exports. The floating exchange rate of the rupee since its separation from the dollar is not so much as an additional incentive for export, as a guarantee of continuing competitiveness of Pakistan exports. In a sense, he said it is a defensive mechanism.

Ghulam Ishaque Khan said that in a world characterised by moving exchange rates of all currencies, it would be dangerous, if not altogether fatal, to make any attempt to retain exchange rate stability with any one particular currency.

He said there is no alternative but to move the exchange rate in line with the exchange rate movements of all other currencies. This, he said is the concept of a managed float based on a basket of currencies with proper weights assigned to each of them.

APP adds: Pakistan's exports during the first eight months of the current financial year (1982-83) increased by 19.6 per cent in rupee terms over the level in the corresponding period of 1981-82, Finance Minister Ghulam Ishaq Khan said.

Speaking at the annual export trophy award ceremony of the Federation of Pakistan Chambers of Commerce and Industry, he said that exports last month (Feb. 83) were particularly encouraging, showing an increase of 44.9 per cent over Feb. 1982 in rupee terms and 19.8 per cent increase in dollar terms.

The Finance Minister congratulated those winning the awards as also those others who participated in expanding Pakistan's volume of export trade.

He said: at the present stage of Pakistan's development, promotion and growth of exports is high on the list of our priority objectives. Pakistan faces both the compulsion to adopt the strategy of export-led growth, and

the opportunity, to translate it into a concrete reality.

Pakistan is not such a large country as to be a common market within itself. It cannot turn inwards and concentrate on the internal market alone. It has to be an important and growing element of the world economy and must develop healthy and mutually beneficial economic relationship with the rest of the world.

Pakistan is advantageously located at the point of conjunction between south and south-east Asia on one side, and west Asia and the middle and south-east Asia on one side, and west Asia and the middle and near east, on the other. There are large and rapidly expanding market economies on both sides.

This is an additional advantage, not counting our special friendship with China, our close relations with both socialist and market economies in Europe and Americas and our growing co-operation with the emerging countries of Africa.

The opportunity and the challenge are there. We need to develop picking up after a time lag. During the first eight months of the current year (1982-83) exports have registered an increase of 19.6 per cent in rupee terms over the level in the corresponding period of 1981-82. February 1983 exports figures are particularly encouraging showing an increase of 44.9 per cent over February 1982 in rupee terms and 19.8 per cent increase even in dollar terms.

Here, I would also like to add higher in the category of "other that the growth has been even exports" which are more sensitive to policy changes and exchange rate movements. This category which includes all items other than the ten major traditional ones registered exports amounting to Rs. 7.1 billion during the first 8 months of 1982-83 against Rs. 3.9 billion in the same period last year—an increase of 83 per cent. The relative share of this group during the current year has also increased to roughly 50 per cent of our total exports compared to about 27 per cent last year.

He added: On balance it seems that the most likely scenario for 1982-83 will be one where shortfalls in traditional exports (in dollar value) will be more than offset by rapid growth in non-traditional and high-value items.

Ghulam Ishaq Khan said: The present world reality is floating exchange rates and we must learn to live with it. For the exporters in particular it means all the difference between being wiped out of certain markets and the ability not only to retain their foot hold but to maintain a competitive edge in those very markets. To give you an example, pound sterling was roughly equal to 22 Pakistani rupees in January, 1982. If we had maintained the fixed parity of that date with dollar, pound would have been equal to Rs 15. Even with the managed float it is today less than Rs 20. At 15 rupees to pound sterling, it would have been impossible to sell in the markets which use pound sterling related exchange rates or even to compete in third countries against sources of supply with floating exchange rates. In fact, a large part of our carpet industry was affected during 1981-82 because it lost the competitive edge in the German and Swiss markets when we were linked with the dollar and the dollar was appreciating against

both the German mark and Swiss franc.

Another group who could clearly appreciate advantages of the floating exchange rate was our expatriate workers and their families receiving remittance incomes. They were receiving larger rupee equivalent for their remittances. As a result, the remittances had started growing again.

The revival of the export sector and the steep increase in remittances demonstrate that the message of the floating exchange rate has been brought home to those for whom it was intended. He added: I have already spoken of the improvement in exports. Remittances during the first seven months of the current fiscal year have also shown an increase of 34 per cent over the corresponding period of the preceding year.

#### PAYMENTS

He said it was estimated that the overall balance of payments affect of the new exchange rate system would be positive to the extent of dollar one billion during the current fiscal year.

He advised the Pakistani businessmen to convince foreign investors from Middle East or from Europe and America to seek a profitable partnership with them in Pakistan. Pakistan was a sizeable economy of 35 billion dollars which was growing annually at the rate of two billion dollars or more. There was no scarcity of investible funds in the world and Pakistan should be a natural choice for our neighbours in the Middle East who were seeking a diversified investment of their surplus capital. "Your confidence in yourself and in your country as well as in the positive support of your government to all genuine investment "honest dealings is the real key to the future prosperity of the nation," he said.

Earlier, Yusuf Zia, President,

FPCCI, in his welcome address congratulated Ghulam Ishaq Khan for steering the economy of the country through turbulent times with a steady hand.

He said: We are grateful to the present government for its policies which have gone a long way to restore the confidence of the private sector. Total annual private sector investment has increased from Rs 7.7 billion in 1976-77 to Rs 16.3 billion in 1981-82 which shows an average annual rate of increase of 22 per cent.

An investment of Rs 54 billion in all was made during the first four years of the plan against total anticipated plan outlay of Rs 62 billion in five years which shows satisfactory progress.

Investment in manufacturing industry has, however, not progressed as well as intended. During the first four years of the fifth plan a total of Rs 14.5 billion was invested against the plan provision of Rs 19.5 billion which shows 74 per cent outlay in four years. Moreover, the sectoral share of manufacturing has declined to 26.3 per cent as the average for the five years period from 1977-78 to 1981-82 compared to an average of 27.3 per cent for the previous five year period.

Discounting the inflation the investment figures would be lower than the planned outlays. This trend is due to a number of constraints which have been pointed out by us on several occasions in the last few years. While the investment climate has decidedly improved, much greater attention needs to be paid to removal of constraints.

The Finance Minister later distributed the FPCCI best export performance/merit trophies awards for 1981-82 among the recipients.

Rafique Habib was declared the "businessman of the year."

IMPORT-EXPORT LINK UNDER STUDY

Karachi DAWN in English 26 Mar 83 pp 1, 14

[Article by Shaheen Sehabi]

[Text]

Pakistan is considering a proposal to link its imports to its exports so that the countries supplying various commodities to Pakistan are obliged to buy some of our export products.

Informed sources told 'Dawn' that an expert group studying the export trends for the Sixth Five-Year Plan, had made this suggestion.

Sources said that in the present international business practice, if someone bought a substantial quantity of goods from one country, it could ask the sellers to buy some of its products as a reciprocal gesture.

Pakistan imports crude oil, edible oil, tea, iron ore and some varieties of fertilisers besides engineering goods and other items. Some of these could be provided by developing countries which could in turn be asked to import

Pakistani products.

The Sixth Plan Expert Group on Export is believed to have argued that the countries we import from are under no compulsion to buy goods from Pakistan, although "we have a good leverage to induce them to buy their requirements from us".

The group is understood to have suggested that Pakistan should link import from these countries with its export "as far as possible."

The policy, if adopted, it is believed, will open up a vast African market to our exports.

Sources said that to enter African market, Pakistani policymakers were also considering other fiscal and monetary measures including provision of medium-term credits to African importers without which "a real breakthrough would not be achieved."

CSO: 4600/496

EXPORT OF POTATOES PLANNED

Karachi DAWN in English 26 Mar 83 p 6

[Text]

ISLAMABAD, March 25: The Agricultural Marketing and Storage Limited has procured 55,000 tonnes of potatoes this year and about 25,000 tonnes will be exported to Middle East countries shortly.

This was disclosed by the General Manager, Agricultural Marketing and Storage Limited, a subsidiary of Federal Bank, for Cooperatives while addressing a news conference here on Tuesday.

He said the initial target for procurement of potatoes was set at 46,000 tonnes which was not only achieved but was surpassed. He said this increase in the potato yield had only been possible due to reasonable prices fixed by the Government for the crop. He said previously the farmers even did not get the production cost in return which caused considerable damage to the crop. Keeping this in view, he said, the Government fixed the price of potato at Rs. 40.50 per 40 kilogramms.

He said the crop realized, was much higher than our local requirements.

He said to further stabilise the prices it has been decided to export the exceeding quantity of potatoes to Middle East.

He said 18 procurement centres were opened in Punjab and one in NWFP to purchase the potatoes direct from farmers without any intermediary.—PPI

CSO: 4600/496

PAKISTAN

TRADING CORPORATION TO EXHIBIT PRODUCTS

Karachi BUSINESS RECORDER in English 26 Mar 83 p 6]

[Text]

The Trading Corporation of Pakistan is organising for the first time a single country exhibition of Pakistani products in Kuwait during May this year, the acting Chairman of TCP Ahmad Rafi said in Karachi yesterday.

In an interview Rafi said the TCP has already carried out an extensive market survey of Kuwait to identify the goods which could be exhibited in the fair for spot sales.

The goods to be exhibited and put for sale in the eight-day fair would be handicrafts, carpets, garments, cutlery items, sports goods and some other goods.

Rafi said TCP would procure all the goods from local market for display and sales in the Kuwait fair.

OVERALL EXPORTS

About overall exports of TCP during current fiscal year, he said export proceeds realised during first eight months of 1982-83 amount to about Rs 85.74 million, which is well over and above total export earnings of Rs 84.41 million fetched during the entire fiscal year of 1981-82.

Bulk of the exports, amounting to about Rs. 68 million, he pointed out, were marketed in India during current fiscal year.

Items exported to India were dates worth Rs. 42.53 million, rock salt Rs 5.35 million, printed

cotton cloth Rs. 9.88 million, dry fruits Rs. 2.29 million and Pakistani publications worth more than Rs. 30,000.

As for imports from India through TCP during the current fiscal year Rafi said some 12 letters of credits worth over Rs. 2 million have been opened for supply of goods like tamarind, betel leaves, green tea and khatta while a number of similar queries are currently being processed.

The TCP he pointed out, also handles the import of edible oil for the Ghee Corporation of Pakistan, which has indicated its total requirement for current fiscal year at 434,000 metric tons.

So far, he said the TCP has imported 172,000 tons of edible oil.

Apart from these items, he said the TCP has also imported tea worth five million dollars for the Afghan refugees.

However, the imports of TCP, he said has been cut drastically after the commissioning of Steel Mills which was now providing bulk items like pig iron, coke oven, billets and other steel products.

TCP imports henceforth are limited to steel billets which are not available locally, and other metals and hence the bulk of foreign exchange allocated for imports to TCP during current fiscal year would be surrendered to government.—PPI.

CSO: 4600/494

PAKISTAN

PRIVATE SECTOR TO BE INCLUDED IN ENERGY EXPLORATION EFFORTS

Karachi DAWN in English 23 Mar 83 pp 1, 4

[Text]

LAHORE, March 22: The Government has decided to associate the private sector in the exploration of energy sources in the country and the mechanics in this respect were being worked out, Maj-Gen (Retd) Rao Farman Ali, Federal Minister for Petroleum and Natural Resources said here on Tuesday.

He also said the Federal Government has finally decided to allow the private sector to generate electricity and sell it to the Water and Power Development Authority (WAPDA) for distribution. Modalities in this respect are also being worked out.

Foreign oil companies have lost their interest in oil exploration for the time being due to the oil glut in the world and Pakistan must try to explore these sources on her own, Rao Farman told the executive members of the Lahore Chamber of Commerce and Industry.

Exploration of oil and gas was a costly business and the Government would gladly welcome Pakistani industrialists and businessmen to joint hands with the Government for their exploitation, he added.

He said that the Government planned to invest a huge amount in the energy sector under the Sixth Five-Year Plan and it had already asked for ten additional rigs for oil drilling.

He said that the major stumbling block in this direction was the lack of trained manpower and plans were in hand to overcome this problem.

On the demand from the Chamber for reviewing the petrol price in view of recent cut announced by the OPEC, the Minister said that except for the USA, no country in the world had lowered its petrol prices due to this cut. Besides, he said OPEC had cut only the prices of crude oil while those of petroleum products had remained unchanged.

Moreover, he said, the development activities initiated by Pakistan at present required huge funds for which the nation should pay.

#### Gas

Regarding natural gas, the Minister said that keeping in view the present rate of growth in gas consumption, known gas reservoirs would last for about twenty-five years only. However, he said, the Government was making every effort to find out more gas fields.

Maj. Gen (Rtd) Rao Farman Ali said that the country had consumed 16 per cent of the known gas stock so far. He did not agree to the view that the gas had been grossly misused in the past and argued that it was this gas that had been instrumental in rapid industrial development in recent years. He also discounted the idea that the supply of gas for domestic purposes was a sheer wastage and said that the domestic consumers were consuming hardly six per cent of the total supply.

Rao Farman Ali told the Chamber members that work on

the Dhodhak gas field was expected to start soon as four foreign firms, a French, a Russian and two American companies had been qualified for the purpose.

He said the Government had recently offered higher rewards for gas exploration to attract more firms.

The Minister said that the development of the Pirkoh gas field, the largest gas reserve after Sui, had been delayed for want of technical data and funds. The Oil and Gas Development Corporation (OGDC) planned to complete the task in three phases spread over a period of four years.

He said the country would continue to face an acute shortage of gas in future, primarily due to the fact that being the cheapest source of energy, gas was in great demand from every quarter.

He said that in order to meet the situation, the Government has decided to start gas load-shedding in the winter months when the demand is at peak. Besides, the target for new gas connections for the current fiscal year has been also reduced by 50 per cent.

The Minister said that fresh gas connections in the industrial sector would be given only to those who had a limited demand and who would undertake to make alternate fuel arrangements and would also sign a clear agreement do without gas in the months of December, January and February.

He estimated a shortfall of 248 million cubic feet of gas during the same period in 1983-84 and 238,137,153 and 205 million cubic feet in the subsequent four years.

#### **Voluntary cut**

The Government was accelerating exploration of gas reserves on the one hand and on the other considering various options to meet this shortfall, he said. The option was that the industrial customers using gas equal to 0.1 million cft per day and more should, as a policy, install dual firing systems. Or they should be divided into six groups having a total consumption of about 30-40 million cft per day each and for the three winter peak months each group should close down its units for 15 days for maintenance and overhauling 34 years at the present consumption rate.

He refuted the impression that the Government was not exploiting the Sui field properly and added that it was not possible to extract more than 880 mm cft per day from that fields. Increase in this level would make the gas field vulnerable to waterlogging.

The minister did not agree with the suggestions that there "seas and rivers" of oil flowing underground in Pakistan. It was just a propaganda being carried out by vested interests to keep Pakistan away from its nuclear energy programme. —APP/PPI

CSO: 4600/495

CLEAN ENERGY INSTITUTE PROPOSED

Karachi DAWN in English 23 Mar 83 p 7

[Text]

LAHORE, March 22: Two scientists of the Pakistan Council for the Scientific and Industrial Research Laboratories, Lahore, have proposed establishment of a 'clean energy research institute' in the country.

In a joint paper presented at the international symposium workshop on "renewable energy resources", Dr Mohammad Hanif and Dr. Mohammad Sarwar, said that the institutions like Pakistan Agricultural Research Council, PCSIR, Appropriate Technologies Development Organisation and the Universities — engaged in scattered research efforts — should be brought under the umbrella of this institute.

The proposed institute should address itself to the immediate and long term energy objectives and come up with definite workable answers to the questions looming on country's economic horizon.

The PCSIR scientists laid special

emphasis on the development of solar energy with particular emphasis on hydrogen, as the fuel of the future, and the biomass.

Dr. Mohammad Hanif and Dr. Mohammad Sarwar estimated that one third of the country's energy requirements could be met by converting the crop residues into power alcohol.

If the agricultural production was increased three times than the present level, Pakistan would not only be in a position to meet energy requirements of the agricultural sector but also of the industrial one, they added.

Dr. Farrakh Hassan Shah, another scientist of the PCSIR, estimated that the conversion of available popularly wastes into biogas would increase the existing heat energy by 20 per cent. The animal wastes and crop residues could also be used for production of energy.—PPI.

CSO: 4600/495

PAGARA DEMANDS OPENING OF KHOKHRAPAR

Karachi DAWN in English 23 Mar 83 p 17

[Text]

JHADDU, March 22: Chief of the defunct Muslim League, Pir Pagaro, has demanded immediate opening of the khokhrapar border on humanitarian grounds.

Speaking at a reception at the local Press Club here yesterday, Pir Pagaro referred to the hardships faced by the people of Sind who wished to go to India to see their relatives via Lahore.

He said that the opening of Khokhrapar border would minimise not only distance and travelling expenses, but would also lessen the congestion at Lahore.

Talking about the elections, Pir Pagaro said he was not optimistic about the early holding of the elections and added that the nation should pray for the same.

Pir Pagaro further said that Pakistan and his party were indispensable for each other. The PML was the only party which could fulfil the aspirations of the nation.

He said PML did not believe in politics of violence and even the country could not afford such a situation, he added.—PPI.

CSO: 4600/495

## INCREASED PROFITS FOR PUBLIC SECTOR INDUSTRIES REPORTED

Karachi DAWN in English 23 Mar 83 p 24

[Text]

**ISLAMABAD:** March 22: Public sector industries in Pakistan earned during the fiscal 1981-82 a pre-tax profit of Rs. 1,097 million as against Rs. 747 million last year. The annual report on public sector industries' performance during the year 1981-82, just published, said that it showed an improvement of 46.8 per cent or Rs. 350 million over the preceding year. The amount of taxes and duties paid in 1981-82 was Rs. 3,663 million — Rs. 143 million more than in 1980-81.

According to the report, there was an overall increase of Rs. 3,226 million in the sales by these industries. Out of the 20.6 per cent sales increase, the report stated, 12.7 per cent could be attributed to the increase in volume of sales and 8.3 per cent to the increase in prices.

The report states that the manufacturing cost during the year under review worked out to Rs. 14,285 million as against Rs. 11,961 million in the preceding year. This was 19.4 per cent more than 13.2 per cent in terms of physical production. According to the report, increase in manufacturing cost at weighed average worked out to 4.5 per cent, while last year it was 12.86 per cent, thus indicating a decline by 8.29 per cent.

About capacity utilisation, the report claims that during the year under review, 11 units have operated at capacity above 100 per cent as against seven units during

the last year, eight units have operated at capacity between 90-100 per cent as against 12 units, eight units have operated at 75-90 per cent as against six units, 15 units have operated at 50-75 per cent as against 16 units, 11 units have operated at 25-50 per cent of rated capacity as against 10 units, and one unit has operated at below 25 per cent as against three in the past year.

The total number of employees in operating units of public sector industries during 1981-82 stood at 81,689 as opposed to 78,027 in the corresponding period ending June 1981. The main increases in jobs were reported in the Fertiliser Corporation, Ceramics Corporation and Cement Corporation on account of the commissioning of several new units and expansion in marketing departments. The ratio between management and labour as on June 30, 1982, was said to be one to nine.

### Financial position

About the financial state of the public sector industries, the report said that the total paid-up capital as on June 30, 1982, was Rs. 3,694 million as against Rs. 3,367 million as on June 30, 1981. Reserves and accumulated earnings, after adjustments of accumulated losses, as on June 30, 1982, were Rs. 889 million as against Rs. 394 million as on June 30, 1981. Total shareholders/owners' equity as on June

30, 1982, works out to Rs. 4,584 million as against Rs. 3,765 million as on June 30, 1981.

The total investment as on June 30, 1982, stood at Rs. 11,308 million as against total investment on June 30, 1972, of Rs. 1,457 million. Total equity and liabilities as on June 30, 1982, were Rs. 20,632 million as against Rs. 18,439 million a year before.

The gross value added at current factor cost, generated by State enterprises during 1981-82, was said to be Rs. 4,291.80 million as against Rs. 3,756.26 million in 1980-81 showing an increase of 14.26 per cent.

About the pricing trend in public sector enterprises, the report said that during 1981-82 there was an increase of 19.4 per cent in the manufacturing cost against an increase production value of 14.2 per cent.

A review of investment programme in the report said that total estimated cost of projects, being implemented or likely to be implemented in 1981-82 by the sector corporations under the control of Ministry of Production, involved a sum of Rs. 45,886.98 million including a foreign exchange component of Rs. 18,527.63 million. The largest share is accounted for by the Pakistan Steel, Rs. 2,77,740 million, which is 60.5 per cent of the total investments. The shares of Petroleum and Cement Corporations were 11.4 per cent and 6.5 per cent respectively.

CSO: 4600/495

FEASIBILITY OF OFFSHORE DRILLING UNDER STUDY

Karachi BUSINESS RECORDER in English 28 Mar 83 p 1

[Excerpt]

PIRKH, (Dera Bugti). March 27: Pakistan is actively examining the feasibility report of a Norwegian company to explore off-shore drilling south of Karachi, Major General (retd). Rao Farman Ali, Federal Minister for Petroleum and Natural Resources said here today

Talking to newsmen, following the formal inauguration of the drilling of a fifth gas well here today, the Minister said that the Norwegian firm had recently carried out a detailed survey for off-shore drilling south of Karachi. The company, he added, had pointed out a couple of "structures" where the off-shore oil could be possibly found.

The minister emphasised the importance of oil and gas exploration in Pakistan but said the priorities as set out by the Planning Department and the paucity of funds had limited the scope of the Oil and Gas Development Corporation in the search of the oil and gas reserves.

He offered 13 potential structures to private sector to

make investment for oil and gas exploration in the country.

All these structures have been thoroughly surveyed by the Oil and Gas Development Corporation (OGDC) and have been declared potential areas for oil and gas.

Major General (retd). Rao Farman Ali said that in view of the limitations of the public sector, the Government was now willing to give "liberal facilities" to the private sector to invest in the discovery of oil and gas reserves in the country. The Minister, however, hastened to add that the Pirkoh wells would, not be offered to the private sector because the O.G. D.C. had done a lot about the geological and seismic survey of the range. We do not want to deprive the O.G. D.C. of their dividends of hard work done in connection with the discovery of structures, in Pirkoh, he added.

Replying to a question about the modalities of private sectors participation in the exploration of oil and gas reserves in Pakistan, the Minister said this could be worked out once the private sector comes forward in this field. He did not rule out the possibilities of private sectors joint ventures with the O.G. D.C.

CSO: 4600/498

MINISTER ASSURES TO RESTORE ADS TO NEWSPAPERS

Karachi BUSINESS RECORDER in English 28 Mar 83 p 1

[Text]

Raja Mohammad Zafar-ul-Haq, Federal Minister for Information and Broadcasting yesterday assured that a sympathetic consideration would be given in respect of restoring advertisements to newspapers.

The Minister held out this assurance to the six-member committee of the Council of Pakistan Newspaper Editors (CPNE) which called on him in Karachi.

On this occasion, the government complaints against the attitude of the newspapers were reviewed in detail and it was decided to set up a committee consisting of CPNE members, prominent newspaper subscribers, intellectuals and government representatives to review the complaints of both the sides in respect of the accepted moral standards of the newspapers and suggest suitable action.

The committee members assured the Minister that so far the question of safeguarding the moral standards and eradicating obscenity was concerned, all newspapers and magazines of the country would fulfil their responsibility and would not give any cause for complaints in future.

The newspapers would also fulfil their responsibility in maintaining the sectarian harmony in accordance with the recent resolution of the general body of CPNE.

The committee comprised Inqilab Matri, President, Mujibur Rehman Shami, Secretary-General, Majid Nizami, Mir Khalilur Rehman and Mohammad Salahuddin.—APP.

CSO: 4600/498

ZIA GIVES ASSURANCES TO PRIVATE SECTOR

Karachi BUSINESS RECORDER in English 29 Mar 83 pp 1, 6

[Excerpt]

President General Mohammad Zia-ul-Haq yesterday defined in quite clear terms the policy of the Government which according to him envisages full encouragement to the private sector to play its rightful role in the economic development of the country.

Delivering his speech at the "Memon Convention 1983", organised by All Pakistan Memon Federation, he said that all the industrial undertakings sponsored by the private sector now would belong to this sector as its own entity and there would be all possible help available from the Government for this purpose.

The President gave an assurance that there should not be any danger of take-over in future. He said the misgivings and doubts in this connection should not remain there after his assurance in this behalf.

He referred to this point when he announced that the Government in principle had agreed to de-nationalise all schools and colleges which belonged to Memon and Ismaili communities. The institutions, he said, would be returned to their original sponsors.

He said that new schools and colleges can also be set up now by

private parties.

The President said that "the stunt of 22 families" raised in Pakistan in the past had damaged unnecessarily the image of the private sector. What was the harm if industrial growth was being sponsored by private parties, he asked. The issue of 22 families was a wrong notion and it gave a wrong impression, he added.

This connotation of 22-families has in fact pushed back the national economy by at least fifteen years, he added.

He said it was most regrettable that those leading industrialists and investors in the private sector who contributed their mite to the development of economy paid all government duties and taxes, provided job opportunities to the population etc. were maligned and given a bad name. He said that big businessmen like Adamjee, Dawood, Habib, Bawany, and Valika created a distinction for themselves in the industrial progress. They all deserved praise for their services and hoped they would still continue to take active interest in the progress of the country.

The President paid tributes to the Memon community for its services in various fields before and after the creation of Pakistan. The Memon community, he said, is progressive and peace-loving community which does not believe in politics of anarchy. This com-

munity, he said, wholeheartedly supported Quaid-e-Azam and the Pakistan Movement because it wanted a strong and stable Pakistan to play its role in the Muslim world. The services rendered by the Memon community particularly in the field of trade, religion, industry and education were praiseworthy.

He said that while denationalising the educational institutions, the Government would see that the legitimate interests of the teachers were fully safeguarded, before any change is effected.

President General Zia-ul-Haq said that his government fully recognized the services rendered by the private sector in the field of education. As a mark of recognition of such services, the government had restored the name of Dawood College of Engineering and Technology. The coming generations should know the contribution of the private parties to the cause of education.

He said there are certain sectors which would continue to remain in the public sector such as railways, telecommunication, airline etc.

While paying tributes to the Memon community for its role in the trade and industry, he said that the history of Memon brotherhood was the history of Pakistan's development.

He called upon the Memon community to set up new projects in the field of business administration and science.

## PAKISTAN

### INFORMATION MINISTER ON TIES WITH INDIA, USSR

Karachi BUSINESS RECORDER in English 29 Mar 83 p 3

[Article by Raja Zafar]

[Text]

LAHORE, March 28: Raja Mohammad Zafarul Haq Federal Minister for Information and Broadcasting, has said that the foremost consideration before the information policy of the government is the propagation of the Pakistan ideology and a complete national cohesion.

Education of the masses and entertainment are the two other objectives of this policy, he remarked in his interview with the monthly "Atishfishan" published here yesterday.

The detailed interview covers a wide range of subjects including the foreign policy of the government, relations with neighbouring countries particularly India the problem of the Afghan refugees and the future political set up of the country.

Raja Mohammad Zafarul Haq said the government wanted the communication media to play a responsible role in nation building and all programmes for radio and television were prepared in the light of the major objectives of the information policy.

Raja Mohammad Zafarul Haq said the government was planning to establish a press centre in Islamabad which could help the journalists here to specialise in different fields of the profession and to update their knowledge through direct contact with the leading experts in respective fields and other international personalities. He said that the President General Mohammad Zia-ul-Haq had an idea of such an institution for quite some time and it had been strengthened during his recent visit to the United

States.

About the relations between Pakistan and India, the Federal Information Minister said that both the countries could gain a lot by normalising their relations although there were several obstacles in their way. He said Pakistan was making its best efforts in this direction.

#### TIES WITH RUSSIA

Regarding the Soviet Russia, Raja Zafarul Haq said that except for the Afghanistan and some other minor issues, Pakistan wanted to have good relations with that super power adding that it was due to these efforts that the Steel Mills was completed with the Soviet assistance and a tractor plant was also being installed here with the assistance of Soviet Union.

#### AFGHAN PROBLEM

In reply to a question about Afghanistan, Raja Zafarul Haq said it was incorrect to suggest that Pakistan had got entangled in this issue by offering refuge to the lakhs of Afghans on this soil. In fact, he said, Pakistan did not make any attempt to involve herself in the matter.

The Afghans, he said had been compelled to leave their hearths and homes due to foreign aggression and it was not possible for Pakistan to push them back or to shoot them dead. Pakistan had not invited the Afghans to this soil but was giving them refuge only because they were Muslims from a neighbouring country, which had been subjected to

foreign aggression.

Raja Zafarul Haq said it was true that Pakistan had to bear a great financial burden in providing relief to the Afghan refugees as the foreign aid in this respect catered to only half of their total requirement. Nevertheless, he said, this was our moral responsibility.

#### AFGHAN DPs

Asked about the possibility of enemy agents entering Pakistan in the garb of Afghan refugees, the Minister said there was only a remote possibility of this nature. He said the Afghan national were involved in the administration of the refugees camp and new entrants were allowed only after thorough investigation and verification. He said this system was working successfully and there had not been any untoward incident in these camps which housed lakhs of the refugees.

On a question whether the Afghan refugees, most of whom were armed, could create a problem for the Pakistan Government Raja Zafarul Haq said there was absolutely no possibility of such a development. The Afghans he said were a brave and honourable nation whose history was full of valour and struggle for independence. They could never think of attacking their benefactor and host, he added.

In reply to questions about the President's visit to the USA, the Information Minister said that this visit was a grand success in every respect.—APP.

CSO: 4600/498

## PAKISTAN

### DETAILS OF U.S. INVESTORS' VISIT DISCUSSED

Karachi BUSINESS RECORDER in English 29 Mar 83 p 3

[Text]

Alexander Ratner, US Consul-General, said in Karachi yesterday that a US Overseas Private Investment Corporation mission will visit Pakistan next month from April 21-29.

Speaking at a luncheon meeting of the Rotary Club of Karachi on "US-Pakistan commercial relations" he said that this will be the beginning of OPIC as it never mounted previous mission in Pakistan.

OPIC has been very active in insuring US equity interests in Pakistan but it should not be discredited almost before its inception", he added.

Alexander said that our governments agreed some 18 months ago on the outlines of a six-year economic and security assistance programme.

He hoped that the economic assistance will contribute over the next few years to sustained economic growth in Pakistan.

In this connection he quoted ambassador Spiers recent speech in Lahore "that our contributions to an expanding economy and a just and stable social order that reflects the aspirations of the people of Pakistan are more important in the long run than our military aid".

He said, "we participated with your Government in steps to stimulate agriculture and to create industry. Your struggle to build a viable nation State has been supported by over five billion dollars of US economic aid".

About 40 per cent of this economic assistance was used for food, about one-third underwrote imports needed for the development of industry and the remainder was used to finance infrastructure and projects in agriculture, the US Consul-General added.

He said that US net assistance over the last 30 years has mounted to four billion dollars.

Among the more than 100 countries which have received US bilateral economic assistance, Pakistan has been the recipient of the sixth largest amount, he added.

The US Consul-General said that during the period October, 1981-September, 1987 the US current economic assistance programme will amount to 1.6 billion dollars.

This will be the second largest US bilateral assistance programme and "it is designed to provide both balance of payment support and economic development," he added.

He clarified that these figures contributions to international do not take into account US multinational agencies such as the World Bank, Asian Development Bank, UNDP, etc. which underwrite development projects in Pakistan.

He said if these funds are taken into account the US aid to Pakistan will amount to some 500 million annually.

### SUGGESTIONS INVITED

The US Consul-General invited suggestions from Pakistan to make the US contribution more constructive.

He assured assistance to the Pakistani private sector "which has in our view a major role to play in Pakistan economic development".

He said, there were 12 joint ventures new enterprises formed by American and Pakistani businessmen in 1982.

Among other things, these projects will involve the manufacture in Pakistan of automobile parts, magnetic tape, quality paper, micro-computers, food service equipment and residential furniture.

### US EXPORTS

According to US Department of Commerce the US exports to Pakistan amounted to some 700 million dollars in 1982, 200 million dollars above that recorded in 1981, he said.

Alexander said that these trade and investment developments are a very clear indication of a strong and growing US commercial interest in Pakistan.

The US Consul-General expressed his happiness over the remarkable resurgence of activity by US business in Pakistan. He said this trend, started by American bankers in early 1980, has steadily increased and "our commercial officers now literally overwhelmed by inquiries from US companies seeking information about the Pakistan market". APP.

CSO: 4600/498

MINISTER INAUGURATES MASS MEDIA SEMINAR

Karachi BUSINESS RECORDER in English 29 Mar 83 p 6

[Text]

ISLAMABAD, March 28: Raja Mohammad Zafarul Haq, Federal Minister for Information and Broadcasting, today observed that "the first general task of the news media is to establish a credible two-way link between the Government and the people and between various groups of the people themselves".

He said "once this has been established, the foremost impetus to change comes from the free flow of informations and ideas".

He said, "it is through the cross fertilisation of a multiplicity of ideas that an awareness of the need for a change, as also the possible direction of that change, emerges".

He was inaugurating the three-day international seminar on "Mass media: tradition and change" at a local hotel here. About 40 delegates and observers from Bangladesh, India, Indonesia, Malaysia, Nepal, the Phillipines, Singapore, Sri Lanka and Thailand are attending the seminar.

Raja Zafarul Haq said that no change is effectively introduced, if it is a transplant from outside. He said that the media have a crucial role to play in promoting this popular participation in the process of a well considered, deliberate, planned change. "Once a particular change has been initiated, it is the task of the media to sustain the popular perception of its validity and mobilise public activity in support till it ceases to be a novelty and is securely assimilated into the accepted traditions of the com-

munity", he remarked.

The Information Minister said: "There is a need also to educate the public about the problems that are bound to surface in the wake of change and through such anticipatory discourse to reduce the pain or discomfort inherent in all change, not only during the period of transition but also for a while after, during the phase of consolidation". He said while the media thus serve the people in initiating and coping with change, they have an equally important role to play in arousing and reinforcing the vigilance of the people against such changes which whether by design or accident, creep in, to erode the core values of the community.

Through their inter-action, he said, both media and the people need to constantly remind themselves that while change is necessary for progress, not all change is necessarily progress. They successful resolution of the problems of tradition and change, lies precisely in this, that while a community holds itself in readiness to participate in universal progress, it chooses to do so without prejudice to the fundamentals of that value-system to which it owes its allegiance, by and for which it lives, and in which alone it can find its peace.

He urged the participants to make a searching enquiry into the role of the media in initiating and coping with change as a phenomenon in a society as a whole.— APP.

CSO: 4600/498

MINISTER INAUGURATES 5TH PIRKOH GAS WELL

Karachi DAWN in English 28 Mar 83 pp 1, 16

[Text]

PIRKOH (Dera Bugti), March 27; Maj-Gen Rao Farman Ali Khan, Federal Minister for Petroleum and Natural Resources, today inaugurated the fifth well of Pirkoh gas field.

The well is being jointly drilled by Canadian and Pakistani experts using Oil and Development Corporation's (OGDC's) own right.

Talking to newsmen, the Minister said: Pakistan is actively examining the feasibility report of a Norwegian company to explore offshore drilling south of Karachi.

The Minister said that the Norwegian firm had recently carried out a detailed survey for offshore drilling south of Karachi. The company, he added, had pointed out a couple of "structures" where the offshore oil could be possibly found.

Maj-Gen (Rtd) Rao Farman Ali said that in view of the limitation of the public sector, the government was now willing to give "liberal facilities" to the private sector to invest in the discovery of oil and gas reserves in the country. The Minister, however, hastened to add that the Pirkoh wells would, not be offered to the private sector because the OGDC had done a lot about the geological and seismic survey of the range.

He did not rule out the possibilities of private sector joint ventures with the OGDC.

He said that presently the Oil and Gas Development Corporation had 13 structures in hand. We can attack all these structures to strike gas and oil if we have sufficient funds at our disposal he added.

The Minister was told that the Pirkoh gas field was discovered by the OGDC in 1977. A loan agreement of US dollars 29.8 million has been signed recently with the Asian Development Bank for the first phase of the development of the field. The first phase covers drilling of six wells, installation of two gas dehydration plants and associated surface gathering facilities and infrastructures. The drilling of three wells in addition to the discovery well had been already completed from OGDC's own resources. The OGDC has so far drilled four wells out of which two wells (Well Nos 1 & 3) are ready for production while the drilling of the third well (well No.4) had already been completed and now its testing was to be carried out before it was ready for production. The fourth well (well No.2) however, remained incomplete for a variety of reasons — major among them was the non-availability of a modern and efficient rig.

The locations of the remaining three wells have been finalised and the work of the access roads and site preparation is in hand. OGDC will supply 40 million cubic feet of gas per day from Pirkoh by end of December, 1983. The supply will be increased 72 million cubic feet per day by end of June 1984.

The Minister was told that the OGDC has already received the proposals for the dehydration plants against international bidding. The proposals are now being evaluated in collaboration with Bank. The contract is likely to be awarded by 1st week of April. The tenders for the drilling material

have also been opened and the tenders for the production material, consultancy services have been invited and will be opened in April 1983.

Two more drilling sites at Kathar, near Hyderabad and Shahdadpur in district Sanghar have been selected. The drilling at Kathar is likely to be inaugurated in the first week of April, 1983. Five seismic and three geological parties of OGDC are also engaged in field surveys to locate new prospective structures.

The negotiations with Kuwait Foreign Exploration Petroleum Company for joint venture in three areas are nearing finalisation.

A loan agreement with the World Bank is also being negotiated by the Government to finance the second phase of Toot development project in addition to a programme of six exploratory/appraisal wells in prospective areas delineated by OGDC.

Over the last one year, OGDC has reorganised its structure and streamlined its operations. During 1982 OGDC has more than doubled its drilling output as compared to the previous year and highest drilling progress of 1990 m was achieved which is expected, will be surpassed during the current financial year.

OGDC is facing acute shortage of trained experts and a programme has been started to train Pakistani professionals in the different disciplines of oil exploration of oil and

gas training institute of Oil and Gas Development Corporation.

The fifth well, formally inaugurated by the Minister today, is already about 200 metres deep. This well is being drilled by the Canadian and Pakistani experts using OGDC's own rig.

The OGDC has awarded a Rs 1.20 crore contract for the construction of a 75-kilometer long pipeline which will connect the Pirkoh wells supplies to the Sui gas transmission lines at Sui.

The OGDC plans to supply about 40 million cubic feet of gas per day by December this year, which would largely meet the shortfall of present gas supplies to Karachi.

In addition to this, the OGDC hopes to supply 32 million cubic feet of gas per day more from the Pir Koh wells by the middle of next year.

Each well at Pirkoh is capable of producing about ten to twelve million cubic feet of gas per day. The gas reserves at Pirkoh's structures are officially estimated at one trillion (one million million) cubic feet while the Asian Development Bank consultations put the figure at five trillion cubic feet. The gas found in Pirkoh's structures is stated to be of high quality and "purest of all".

Later, the Minister attended the Quran Khawani and auspicious sacrifice of three goats at the fifth rig marking the formal inauguration of the drilling of the well.—APP

CSO: 4600/500

PRIVATE INDUSTRIAL ESTATES BEING CONSIDERED

Karachi DAWN in English 29 Mar 83 p 16

[Article by Shaheen Sehbai]

[Text]

The Federal Government is considering a proposal to allow the private sector to set up its own industrial estates in the country, informed sources told 'Dawn'.

The proposal is being mooted to provide a free hand to the private sector in setting up more industries, specially in the Sixth Five-Year Plan.

The industrial estates to be set up by the private sector, it is understood, will have to be handled wholly by the sponsors, including provision of infrastructural facilities as power, gas and water.

For such estates, it has been proposed that the private sector should generate its own power and should be allowed bulk purchase of natural gas.

For the Sixth Plan, the sources said, a proposal was also under consideration for setting up medium size industrial estates in the public

sector in major cities. Cities have been preferred, according to one source, because transportation problems there would remain minimum compared to new areas where roads and communications would need large investments.

Planners have, however, been cautioned by experts against unnecessary increase in the number of industrial estates while the existing ones lack proper infrastructure and are not fully functional.

Since power is a major problem for existing and new industries, the Federal Government is understood to be considering imposing an "excessively discriminatory tariff" on non-essential consumption of energy so that production may not be adversely affected.

According to another source, the Sixth Plan is likely to accord high priority to projects in the energy sector.

CSO: 4600/500

ECONOMIC BODY MEETS, APPROVES PROJECTS

Karachi BUSINESS RECORDER in English 30 Mar 83 pp 1, 8

[Text] Islamabad, March 29--The Economic Coordination Committee of the Cabinet at a meeting held here today under the chairmanship of Ghulam Ishaq Khan, Federal Minister for Finance and Economic Affairs, sanctioned a cement plant to be set up at Muzaffarabad (Azad Kashmir) with annual capacity of 79,000 tonnes which would be sufficient to meet the requirements of Azad Kashmir.

On completion the cement plant would give a filip to construction activities in Azad Kashmir.

The ECC also approved Mehran Jute Mill's proposal for expansion of its present capacity from 108 looms and 2020 spindles to 163 looms and 2500 spindles. As a result, the annual capacity of the plant would increase from 6,000 tonnes jute goods per annum to 10,000 tonnes.

Chairman, Railway Board presented to the ECC a report on the performance of Pakistan railways for the quarter ending December 1982. According to the report the gross earnings of the railways during this quarter were Rs 802.3 million as against Rs 733.7 million during the corresponding period of the last year showing an increase of 9.35 percent. Total working expenses of the railways during the quarter under report amounted to Rs 658.1 million as compared with Rs 620.6 million during the same quarter of the last year showing an increase of 6 percent.

Secretary, Ministry of Production informed the committee that during the quarter ending December 1982, the production sales figures of tractors stood at 4228 and 4348 respectively as against 2514 and 3731 during the corresponding period last year showing increase in production by 68 percent and in sales by 59 percent.

Giving breakdown of the production figures, Secretary Production stated that messrs Millat Tractors Limited showed an increase of 85.6 percent in the production of M.F. tractors while production of Fiat tractors had registered an increase of 20.5 percent.

The ECC recorded appreciation of the excellent progress of sugar production in the country. The Committee, however, felt that there are pockets of sugar cane areas far from sugar factories which have suffered from economic neglect.

In order to ameliorate conditions of growers of sugar cane in such areas the Ministry of Food and Agriculture's proposal for setting up mini-sugar plants in the pre-determined areas was approved by the ECC. The committee, however, directed it should be ensured that mini-sugar mills are set in the areas where wheat and cotton are not grown and there is no indiscriminate expansion of areas under sugar cane at the expense of wheat and cotton.

Secretary, Ministry of Food and Agriculture informed ECC that the Agricultural Marketing and Storage Limited had procured 3,500 tonnes of potato from 16 purchase centres which had helped in stabilising the supply and prices of potato in the country.

The ECC considered the report of a technical committee constituted under the auspices of the Ministry of Food and Agriculture for introduction of small tractors. The technical committee had noted that out of total cultivated areas of 50 million acres only 20 million acres is being mechanically ploughed at present. Leading tillage of 60 per cent of the cultivated area still being done by animal power. The technical committee had therefore recommended introduction of small tractors not only to bring additional area under mechanical cultivation but also to increase recommendations of the technical committee in principle and directed the Ministry of Industries to recommend standardization of a small tractor within three months.

The Industries Secretary presented to ECC a review of production trends in the industrial sector during the quarter ending Dec-

ember, 1982. The review showed that 24 out of 35 selected industries had shown an increase ranging up to 39 per cent over the corresponding period of previous year.

These items were:

Cotton yarn	0.1 per cent
Cotton cloth	0.2 per cent
Flourescent tubes	0.2 per cent
Sewing machine	0.6 per cent
T.V. sets	0.1 per cent
Electric transformers	1.9 per cent
Phosphatic fertiliser	2.7 per cent
Paints and varnishes	3.2 per cent
Motor cycles	4.0 per cent
Cement	4.5 per cent
Sulphuric acid	7.0 per cent
Sheet glass	7.6 per cent
Electric fans	7.9 per cent
Paper	8.0 per cent
Bicycle	8.2 per cent
Electric bulbs	8.9 per cent
Caustic soda	12.0 per cent
Electric motors	13.1 per cent
Jute goods	15.3 per cent
Sugar	16.0 per cent
Beard	17.7 per cent
Chlorine gas	25.0 per cent
Motor tubs	30.4 per cent
Nitrogenous fertilisers	39.6 per cent

The ECC accepted Pakistan Tobacco Board's recommendation to raise the minimum prices of 1983 tobacco crop by 3 per cent over those notified for the 1982 crop.

The ECC authorised the Ministry of Commerce to sign a trade agreement with the Republic of Argentina.

The meeting was attended by Federal ministers for communications, food and agriculture and cooperatives, industries, petroleum and natural resources, and production, Deputy Chairman, Planning Commission, cabinet secretary and secretaries of economic ministries.  
—APP.

SUGAR DISPOSAL POLICY REVISED AGAIN

Karachi BUSINESS RECORDER in English 30 Mar 83 p 1

[Article by G.N. Mughul]

[Text]

In a fix over the sugar glut for the last four months, the Federal Government has again revised its policy pertaining to the disposal of the surplus, it is reliably learnt.

According to the new policy, which has already been enforced, the earlier decision to authorise the sugar mills to sell Government stocks on agency basis has been withdrawn.

Besides, under the new policy, known as March policy, the sugar mills have been allowed to dispose of their free sale quota, which has been fixed at 25 per cent of total production on the open market at a maximum wholesale price not exceeding Rs. 8.25 per kg.

It may be mentioned that last December the Government had directed the Provincial Governments to sell their stocks through tenders. Under this policy, the

Sind Government sold 27,000 tons of sugar from its stocks. But this policy was changed in February this year and the sugar mills were authorised to sell Government stocks on agency basis and their own free sale quota when Government stocks were disposed of. Under these arrangements the sugar mills in Sind sold about 10,000 Government sugar. Now, this policy has been changed.

**NATIONAL RESERVES**

The Government, according to March policy, has decided to expand national sugar reserves upto 3 lakh tons, while according to earlier policy these reserves were to be upto 2 lakh tons.

At present, total sugar stocks with the Sind Government are about 4.31 lakh tons out of which 60,000 tons are surplus from the 1981-82 sugar production while 3.71 lakh tons have been produced during 82-83 so far in the mills of the province.

CSO: 4600/500

RECOGNITION OF PRIVATE SECTOR'S SERVICES LAUDED

Karachi BUSINESS RECORDER in English 30 Mar 83 p 2

[Text]

Never was the myth of the 22 families so strongly refuted as was done by the President, Gen Mohammad Zia-ul-Haq in his speech at the Memon Convention the other day. Besides, the forum he chose to do so was also the most appropriate for several of the so-called "22" belonged to this very community. The President correctly observed that the connotation of the 22-family slogan has been responsible for retarding the pace of development and putting the country back by at least 15 years in its march forward. The slogan originated in the late sixties and got a new lease of life in the seventies when a political regime having socialistic leanings, took over the reigns of government. It was during this period that the leading industrialists and investors who had contributed their mite to the development of economy, paid all Government duties and taxes, provided job opportunities to the population, etc., were maligned and given a bad name.

Zia has expressed his regret over this campaign which actually did not harm only these investors personally but harmed the entire development process. Those who were maligned actually are the pioneers in the field of nation-building and the nation owed gratitude to them. However, it should come as a source of great satisfaction particularly to those whose name was smeared for nothing, that their contribution is acknowledged by their nation.

In a free economy profit is the motivating force. This is of course a selfish motive but it is also the community which ultimately gains. As a matter of fact, the gain of the community is more than the gain of the individual whom one may call 'self-seeker'. It is, of course, the miracle of the proverbial "invisible hand" whose operations cannot be checked. The moment this hand becomes static and its gains stop seeping down to the lowest level, that all efforts of the "self-seeker" are

frustrated. He will then have to forgo not only the profit but also the capital he has invested to earn profit. In a developing free economy concentration of wealth in a few hands is an inevitable phenomenon. The rich keep on becoming richer but the poor cannot become poorer. If investment is being made, the creation of job opportunities is the natural outcome. More jobs mean lesser poverty. As such, the intensity of the problem of poverty is reduced. But if in the initial stages measures are taken to prevent the concentration of wealth and incomes are redistributed, investment would come to an end and with it the entire development process. We will then be distributing nothing but poverty which would lead to more poverty. It was this concentration in the hands of a few which led to the formation of the 'Gang of 22'. The 'Gang' consequently withdrew itself

from or was pushed out of the scene and was made to sit in the corner. It was all-right. But who suffered? The events of the last 15 years provide the most convincing answer to the question.

No one can deny the importance of the part played by the Memon community in the nation building activities. Traditionally deeply religious, the community has also made valuable contribution in the field of social services like health, education, etc. President Zia's decision to return the educational institutions set up the community, reflects the recognition of its services in this sphere as well. With the assurances given and the steps taken by the present regime to restore the confidence of the people, particularly the investing public, in the economy, it can be hoped that if other objective conditions improved, the pace of development will pick up.

CSO: 4600/500

BUMPER GRAM CROP EXPECTED

Karachi BUSINESS RECORDER in English 30 Mar 83 p 2

[Text]

ISLAMABAD, March 29: The country is expected to harvest a bumper gram crop this year.

Experts are optimistic about getting 70 to 80 per cent increased produce this year as compared to the last year gram production. According to the official sources the crop was in good conditions in the areas of Mianwali, Khushab, Bakhsh and Sargodha Division which are the major gram producing districts.

The government had fixed a production target of 5,52,000 tonnes for the current crop, while area wise target was 9,61,000 hectares.

Gram was sown in larger areas this year even more than the target fixed by the government and the crop has been safe from the attack of 'blight' so-far.

For the last three years the crop had been badly damaged by the blight attack which resulted in the loss of more than 50 per cent crop followed by an overall increase in the price of pulses.

The crop was safe from the

disease attack so-far, and more area has been brought under the gram this year, the agricultural experts expect that the production target of 5,52,00 tonnes would not only be achieved but there were bright prospects of even exceeding the target.

Gram is the crop which constitutes about 70 per cent of the crops of pulses in the country, and its production always had an overall prices of the commodity.

The Ministry of Agriculture was making allout efforts to ensure its increased corps saved from disease attack. Various research institutions had started work on the disease resistant varieties and out of total 40 varieties seven have been suggested for sowing.

The government was trying to increase the production of blight resistant varities of gram. It is hoped that the country will have sufficient quantity of disease resistant varities of the gram.— APP.

CSO: 4600/500

PAKISTAN

PIRKOH GAS RESERVES SAID TO BE 5 TRILLION CUBIC FT

Karachi BUSINESS RECORDER in English 30 Mar 83 p 3

[Text]

QUETTA, March 29: A team of the Asian Development Consultants has estimated gas reserves at Pir Koh in Marri Bugti Agency of Baluchistan at five trillion cubic feet, the gas is said to be of high quality.

The first phase of the Pir Koh Gas project is expected to be completed in about 10 months time to supply forty million cubic feet of gas per day. The supply will be increased to 72 million cubic feet daily by the middle of next calendar year.

The first phase covers drilling of six well, installation of two gas dehydration plants and other association facilities of the six wells, four have already been drilled. Of these two wells number one and three are ready for production. The location of the remaining two wells have already been finalised. Access roads are under construction.

The fifth well formally inaugurated yesterday by the Federal Minister for Petroleum and Natural Resources, Maj. Gen. (rtd) Rao Farman Ali Khan will be drilled by the Canadian and Pakistani experts.

Meanwhile, contract for the construction of a 75 kilometer long pipeline to connect Pir Koh wells supplies with Sui has been awarded. With the completion of the pipeline at an estimated cost of Rs. 12 million Pir Koh gas will be available for industrial, commercial and domestic use through the network of the Sui Gas transmission system throughout the country.—APP.

CSO: 4600/500

PAKISTAN

BRIEFS

RESTRICTIONS ON BIZENJO CRITICIZED--Quetta, March 22--The defunct Pakistan National Party, Baluchistan, has criticised the restriction on the movement of Mir Ghous Bakhsh Bizenjo, President of the PNP, and demanded its removal. In a resolution passed at the workers meeting held at the residence of Arbab Asif in Quetta on Friday last, the PNP also demanded release of all political detainees, students, workers and others. The meeting also demanded holding of early elections in the country. [Text] [Karachi DAWN in English 23 Mar 83 p 17]

PPP TO FILE PETITIONS--The "high command" of the defunct Pakistan People's Party has decided to file constitutional petitions challenging the validity of the Provisional Constitution Order, 1981. A Press release has said the petitions are expected to be filed "within a very short time," before the Supreme Court and the High Courts of Sind, Punjab, N.W.F.P., and Baluchistan. A four-member panel of advocates has been formed for this purpose. The members are Mr Justice (Retd) Fakhruddin G. Ebrahim, Mr A. Mujeeb Pirzada, Mr M.L. Shahni and Mr Raza Rabbani. Miss Benazir Bhutto, Acting Chairman of the defunct PPP will be the petitioner, the Press release said. In the petitions, it added, the question regarding the detention of Miss Benazir in Karachi Central Jail, Larkana Sub-Jail and Karachi Sub-Jail for a period of over two years will also be raised. [Text] [Karachi DAWN in English 23 Mar 83 p 22]

LEADER ON MRD'S ROLE--Sahiwal, March 22--Malik Mohammad Qasim, Secretary-General of defunct Pakistan Muslim League (Khawaja Khairuddin group) has said MRD was trying to save Pakistan from the politics of violence and continuing peacefully the movement for the restoration of democracy and 1973 Constitution. He was talking to newsmen at the Bar room. He said that the politicians are not against the Army but they are urging it to return to the barracks and fulfil its professional duties. He regretted that the makers of 1962 and 1973 Constitutions themselves did not adhere to them. He said that politicians are being defamed internationally. The increase in bribery, prices and inflation should be controlled. The Government should hold the elections and leave, he added.--PPI [Text] [Karachi DAWN in English 23 Mar 83 p 24]

OIL PRICES CUT DEMANDED--Faisalabad, March 22--Following reduction in oil prices, Pakistan has approached the Gulf countries for a corresponding cut in the contracted oil prices, DAWN learns from a highly-placed source. The source revealed that the bulk of the contracts for oil imports from Gulf countries was signed in January 1982. After recent reduction of average crude oil prices from 34 to 29 dollars a barrel, the Government of Pakistan has requested Saudi Arabia and other friendly countries to review their prices. These contracts were signed for two to five years. The Gulf countries have shown inclination to concede this request. If the proposal is accepted by the exporting countries, the annual saving by Pakistan on oil imports would range from 12 to 15 million US dollars per year. This concession would, however, not affect the credit facilities already allowed by the exporting countries. Meanwhile, the Federal authorities concerned have stated that the benefit of this reduction would not be passed on to the consumers but would be invested on future projects of oil developments.

[Text] [Karachi DAWN in English 23 Mar 83 p 24]

MUSLIM LEAGUE EXPRESSES WILLINGNESS--Faisalabad, March 25--If Gen Zia's Government decides to establish a political government, Muslim League would willingly join it as provincial and sectional prejudices tend to prolong Martial Law. This view was expressed by the chief organiser of the defunct ML (Pagaro Group), Kanwar Qutbuddin, while addressing a function on Wednesday in connection with the "Solidarity of Pakistan." He reiterated that the solidarity of the country depended on the establishment of a democratic form of government. He said his party had informed the authorities that "if they agreed to the setting up of a political government the Muslim League would willingly join it." [Text] [Karachi DAWN in English 26 Mar 83 p 6]

CALL TO RELEASE BENAZIR--In a signed statement yesterday, 124 lawyers of Karachi called for "unconditional" release of Miss Benazir Bhutto. The lawyers, who are members of the Karachi Bar Association, also demanded that Miss Benazir be allowed to proceed to Larkana to participate in the rites in connection with the death anniversary of Mr Z.A. Bhutto on April 4 next. The joint appeal said that Miss Benazir had been under detention for about three years and her health had deteriorated and, therefore, she should be released without further delay. [Text] [Karachi DAWN in English 26 Mar 83 p 14]

PASHTO BOOKLET SEIZED--Peshawar, March 26--The Government of the NWFP has, under the West Pakistan Press and Publication Ordinance 1963, forfeited with immediate effect all copies of the Pashto booklet containing material on Pakistan nationalism brought from Afghanistan by Khan Abdul Ghaffar Khan. The booklet contains objectionable material which tends directly or indirectly to bring into hatred the competent Government established by law in Pakistan and likely to create feelings of ill-will or hatred between the population of different provinces or parts of Pakistan.--PPI [Text] [Karachi DAWN in English 27 Mar 83 p 1]

PIA SERVICE TO KATHMANDU--PIA will operate a weekly flight to Kathmandu from April 15, it was reliably learnt in Karachi. PIA flight will be operated by Boeing 707. PIA has informed the trade bodies that the service will provide approximately 15 tons cargo capacity a month in each direction. Commencement of PIA's Nepal service is expected to go a long way in promoting two way trade between Pakistan and Nepal. [Text] [Karachi BUSINESS RECORDER in English 27 Mar 83 p 3]

MOVING REFUGEES TO PUNJAB--Islamabad, March 25--The shifting of the Afghan refugees from the congested camps of the NWFP to the Punjab is in progress and about 28,000 refugees have so far been provided shelter in three camps set up in district Mianwali, Brig (Retd) Said Azhar, Chief Commissioner for Afghan Refugees said here today. He said that one hundred thousand Afghan refugees will be shifted to the Punjab and about 650 refugees are being sent daily to the newly setup camps in Tehsil Isakhel, District Mianwali. He said the refugee camps in the NWFP have virtually overflowed and new camps which will accommodate 10,000 refugees each were being set up in district which is the nearest point from the NWFP. Brig Azhar said government is ensuring that provision of basic necessities of life such as drinking water, medical aid, primary education are made available in the areas before the shift. [Text] [Karachi BUSINESS RECORDER in English 26 Mar 83 p 3]

CONVICTED FOR OBJECTIONABLE POSTERS--The Summary Military Court No 10 tried one Muhammad Zaman, son of Asfand Yar under section 13 MLR in case FIR No 115/83 of Police Station Liaquatabad and convicted him for six months rigorous imprisonment, five lashes and a fine of rupees one thousand. In default of payment of fine, the amount is recoverable as arrear of land revenue. The accused was found guilty for pasting posters on walls in Federal Capital Area, KMC Park Karachi, in an attempt to excite dissatisfaction towards Armed Forces containing objectionable materials, creating alarms and despondency amongst the public. [Text] [Karachi BUSINESS RECORDER in English 27 Mar 83 p 1]

PRESS COUNCIL SET UP--The council of Pakistan Newspaper Editors Standing Committee has decided to establish a press council headed by a judge of the Supreme Court or High Court and comprising ten other members to hear complaints from the public or the government against any member of the CPNE and with powers to penalise the member if found guilty. This historic decision was taken by the Standing Committee of the CPNE last evening after having considered at length various aspects of the existing government-press relations and the need to ensure adherence of its member to the agreed code of ethics of the CPNE, signed and approved for adherence by its members as far back as 1978-79. The meeting of the Standing Committee was presided over by inquilab Matri, the President of the organisation.--PPI [Text] [Karachi BUSINESS RECORDER in English 29 Mar 83 p 6]

MUSLIM WORLD PLANNING COMMISSION SUGGESTED--The chairman, Muslim Commonwealth Movement, Aslam Bin Ibrahim, yesterday suggested the setting up of a "Muslim world planning commission" to accelerate economic development in the Muslim world. In a Press statement he said this should be set up under the aegis of the organization of Islamic conference. Ibrahim also hailed the decision taken by the just concluded international conference on Islamic economics to set up a world association of Muslim economists with a permanent secretariat.--APP [Text] [Karachi BUSINESS RECORDER in English 30 Mar 83 p 3]

CSO: 4600/498

GOVERNMENT TO FOSTER BILATERAL TRADE

Colombo DAILY NEWS in English 22 Mar 83 p 1

[Article by T. Sabaratnam]

[Text] Trade and Shipping Minister Lalith Athulathmudali yesterday said the government would soon review its policy of liberalised trade with countries that impose quotas and other restrictions on Lankan products.

"Unilateral quotas will result automatically in import controls on our side", he declared.

Mr. Athulathmudali who inaugurated the first joint meeting of the Sri Lanka-Korea and Korea-Sri Lanka Economic Co-operation Committees at the Pegasus Reef Hotel added "We cannot keep the door open to those who close it on us."

He said this modification would be effected within the framework of the open economic policy that the government adopted in 1977. Liberalised trading had benefited the country and the government was determined to continue it he said.

The Minister, who paid a glowing tribute

to South Korea which had made an incredible advance in the field of production and export, said Korea which 20 years ago earned one-seventh Sri Lanka's export income then was today earning 21 times as much.

"In 1960 Korea's exports were only 50 million US dollars while we earned 320 million. Last year our export earning was one billion dollars while Korea's was 21 billion", he said.

Analysing the trade between the two countries, he said Korea supplied in 1981 4.5 percent of Sri Lanka's imports and ranked seventh as a supplier.

"She sold us goods worth Rs. 742 million but imported only Rs. 17 million worth. This

cannot continue. Something must be done to correct this situation," he warned.

Korean Ambassador Min-Gil Chung agreed with the Minister that such an unfavourable trade balance couldn't last. Both sides should benefit by trade. It should be a means of partnership, he said.

He appealed to the joint committee to study the market possibilities of Lankan products, so that Korea might buy more. Korean industries should move to Lanka and make use of her natural resources for the good of both countries, he added.

Mr. L. R. Watawala and Mr. Heun-Joon Chung, chairmen of the national committees stressed the need for closer collaboration between the two countries.